

Thursday, 23rd September, 1954

LOK SABHA DEBATES

(Part I—Questions and Answers)

VOLUME IV, 1954

(23rd Aug. — 24th Sept. 1954)



SEVENTH SESSION

1954

LOK SABHA SECRETARIAT
NEW DELHI

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LOK SABHA

Thursday, 23rd September, 1954

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

PRIMARY SCHOOLS AND SOCIAL EDUCATION CENTRES

*1261. **Shri D. C. Sharma:** Will the Minister of Education be pleased to state:

(a) the number of single-teacher primary schools and social education centres that the Punjab Government plan to open with the help of the grants sanctioned by the Government of India; and

(b) the number of such schools and social education centres opened so far and the number of teachers appointed therein?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) 4,300 single teacher Primary Schools and 220 Social Education Centres.

(b) (i) 2,400 single teacher schools and 100 Social Education Centres opened so far.

(ii) 2,400 teachers and 100 Social Education Workers appointed so far.

Shri D. C. Sharma: May I know whether these single-teacher schools are confined mainly to the backward areas of Punjab?

Dr. M. M. Das: These places or sites were selected by the State Government, so far as I know.

402 L.S.D.

1508

Shri D. C. Sharma: May I know out of the Social Education Centres established, how many are in rural areas?

Mr. Speaker: Order, order. I might invite the attention of the hon. Member to the fact that this question was allowed, though it related to the details of administration with the State Government, because he wanted to have information as to how many schools and Social Education Centres were carried on with the help of grants sanctioned by the Government of India. So, it is only in respect of that particular information that he can put questions; he should not go into details.

Shri D. C. Sharma: All right. May I know whether the grant is to be given only for one year or it is to be spread over five or ten years?

Dr. M. M. Das: These schemes are extended up till March 1955, i.e., only the present year of the Plan period. But the Centre's contribution will continue upto 1956-57.

STUDY OF FOREIGN LANGUAGES

*1263. **Shri S. N. Das:** Will the Minister of Education be pleased to state:

(a) whether the scheme for encouraging the study abroad of foreign languages by Indian nationals has been finalised; and

(b) if so, what are the important features of the scheme?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) Yes, Sir.

(b) A statement giving the relevant information is laid on the Table of the House. [See Appendix VIII, annexure No. 21.]

Shri S. N. Das: From the list, it appears that for the study of Arabic

and Russian, the countries chosen for study are Egypt and Lebanon, and U.K., France and Germany. I would like to know the reason why the country of those languages have not been selected.

Dr. M. M. Das: So far as Arabic is concerned, the facilities for teaching Arabic are better in Egypt and Lebanon than in Arabia itself.

So far as the Russian language is concerned, the reasons are the following:—(i) overcrowding in Russian Universities, and difficulty in getting admission there. (ii) there being no special courses for foreigners as in other countries, and the usual courses for Russians being for a period of three years, which cannot ordinarily be followed by our scholars, as the scholarships are only for one year's duration.

Shri S. N. Das: The hon. Parliamentary Secretary has stated that there is overcrowding in Russian Universities. May I know whether there has been any correspondence with the Government of the U.S.S.R. for the admission of Indian students there?

Dr. M. M. Das: I am not at the present moment aware of any correspondence, but the said informations are with us at our disposal, and the informations facts are correct.

Shri S. N. Das: May I know whether any estimate of personnel having knowledge of foreign languages is available, and if so, what is that number? What is the number that is required for our universities and certain services in the Central Government?

Dr. M. M. Das: That has not yet been determined, so far as I know.

Shri G. P. Sinha: May I know whether it is necessary to send students abroad to learn foreign languages, the facilities for which are sufficient in this country, as in the case of Arabic, Persian and other subjects?

Dr. M. M. Das: This scheme is meant for special knowledge in those languages, and the candidates that are selected are required to study to the uppermost level—I mean the educational level—in these languages, for which facilities are available in this country.

WELFARE EXTENSION PROJECTS

***1264. Shri K. P. Sinha:** Will the Minister of Education be pleased to state:

(a) the total number of "Welfare Extension Projects" already started and the places where they have been started; and

(b) the method adopted in making the selection for the location of these Welfare Extension Projects?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) A statement showing the places of these projects is attached. [See Appendix VIII, annexure No. 22.]

(b) The State Welfare Advisory Boards set up Implementation Committees which survey local conditions, and in the light of urgent needs of the localities, recommend where Welfare Extension Projects should be started.

Shri K. P. Sinha: May I know the number of projects that are going to be covered in one State, and the expenses thereon?

Dr. M. M. Das: The number of projects that are expected to be taken up all over the country is one per district, i.e. 352 in the whole of the country.

What is the second part of the question?

Shri K. P. Sinha: The expenses thereon.

Dr. M. M. Das: The cost will be on an average Rs. 50,000 per project till the end of the Plan period.

Shri K. P. Sinha: May I know the tests of efficiency, so far as the social organisations are concerned, to whom the task is going to be entrusted?

Dr. M. M. Das: We consult the State Advisory Board in this matter, and the tests of efficiency are their work.

Shri Thimmaiah: May I know whether any Welfare Extension Projects will be opened on the day of Gandhi Jayanti?

Mr. Speaker: Order, order. I am going to the next question now.

Shri M. L. Dwivedi: May I put one question? This question stands in my name also. I also want to ask one supplementary.

Mr. Speaker: Yes, he may put one.

Shri M. L. Dwivedi: I want to know what the aims and objects of the scheme are.

Mr. Speaker: Order, order. It is too general and wide a question.

CENTRAL POLICE TRAINING COLLEGE/ ABU

*1265. **Shri Krishnacharya Joshi:** Will the Minister of Home Affairs be pleased to state whether Government have decided to establish a Central Detective Training School as a Wing of the Central Police Training College, Abu?

The Deputy Minister of Home Affairs (Shri Datar): It has been decided in principle to establish a Central Detective Training School. This will not however be a Wing of the Central Police Training College.

Shri Krishnacharya Joshi: May I know when this Training School will be opened, and where it will be located?

Shri Datar: It is likely to be established in the course of the next six months, and in all probability at Kamptee near Nagpur.

Shri Krishnacharya Joshi: May I know how many persons will be trained every year?

Shri Datar: 120 trainees will be trained every year, from out of the categories of sub-inspectors and inspectors.

Shri N. L. Joshi: What are the present arrangements for training in this College?

Shri Datar: At present, we have no arrangements as such here, but in some States, there are proposals to establish such schools.

The Minister of Home Affairs and States (Dr. Katju): May I just add one word, with your permission? At present, some instruction is given in the art of detection and investigation in the Police Schools which are established in different States.

ADDITIONAL SECRETARIES

*1266. **Th. Lakshman Singh Charak:** Will the Minister of Home Affairs be pleased to state:

(a) the number of Additional Secretaries still in the Government of India upto August 1954;

(b) whether Government are aware that the Ayyangar Re-organisation Report had specifically recommended the abolition of such posts; and

(c) the reasons for retaining the posts?

The Deputy Minister of Home Affairs (Shri Datar): (a) One Additional Secretary and two other officers with the *ex officio* status of Additional Secretary.

(b) Yes.

(c) Government have considered this recommendation of the Ayyangar Report and have decided that the grade of Additional Secretary need not be formally abolished. Government are of opinion that in special circumstances, and particularly in cases of appointments to administrative posts of persons who do not belong to any Service but have attained eminence in their particular field of activity, it might be necessary or useful to confer the status of Additional Secretary.

*The original answer was "six years" which was later corrected by the Deputy Minister of Home Affairs *vide* Part II of Debates, dated 24th December 1954.

Th. Lakshman Singh Charak: May I know whether the output of work in the Government has increased in comparison with the extra expenditure involved, so as to necessitate the retention of these posts?

Shri Datar: As has been pointed out, this has nothing to do with the output as such. I have mentioned it earlier very clearly, that there are only three posts here, two being *ex officio* posts, and one an Additional Secretary's post.

Shri T. N. Singh: May I know if it is the Government's view that the status of special persons can only be safeguarded by creating them as Additional Secretaries?

Shri Datar: It was considered fit that the status of Additional Secretary should be given to persons of eminence when they were carrying on work in certain fields of activity.

Th. Lakshman Singh Charak: Are Government aware that it is becoming an increasing practice in the Ministries to re-employ retired officers in certain posts which have been created for a temporary period?

Shri Datar: That has nothing to do with this question.

HISTORY OF THE SECOND WORLD WAR

*1267. **Ch. Raghunir Singh:** Will the Minister of Defence be pleased to state:

(a) how long it would take to publish the Official History of the Second World War which is being compiled by the combined Inter-Services Historical Section; and

(b) what would be the approximate expenditure to be incurred thereon?

The Deputy Minister of Defence (Sardar Majithia): (a) Publication has already commenced and it is hoped to complete it by 31st December 1955.

(b) Rs. 34 lakhs.

Ch. Raghunir Singh: May I know the reasons for the delay?

Sardar Majithia: As the hon. Member will appreciate, 28 volumes have to be published and the material that has to be collected is so vast that it necessarily takes time, because it has to be authenticated and sometimes references to other Dominions have to be made on particular points which have to be clarified. So, necessarily, delay has taken place.

Pandit D. N. Tiwary: May I know whether the history contains the attitude of the Indian people at the time of the second World War, that is, non-co-operation with Government's efforts?

Sardar Majithia: It is still under compilation and I could not give that information off-hand, unless I have the volume.

Some Hon. Members rose—

Mr. Speaker: We will go to the next question. The questions relate to the contents of the volumes.

SYNTHETIC VITAMIN "A"

*1268. **Shrimati Tarkeshwari Sinha:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether the Government of India propose to produce synthetic vitamin 'A' from lemon grass oil;

(b) whether any scheme has been prepared for the establishment of a factory for its production; and

(c) what will be its estimated cost?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) No, Sir. Production of vitamin 'A' from lemon grass oil is under investigation on a laboratory scale at the National Chemical Laboratory. Government considered the feasibility of setting up a plant in India for the production of vitamin 'A' in October, 1952 and were advised after the question had been examined in December, 1952 that the stage had not yet been reached for the installation of such a plant in India.

(b) No, Sir.

(c) Does not arise.

Shrimati Tarkeshwari Sinha: May I know the quantity of lemon grass oil that is produced and quantity that is exported?

Shri K. D. Malaviya: I do not know. The lemon grass oil which is used for the laboratory experiments may not be very much in quantity. But I might explain that the ordinary sources of vitamin 'A' extraction are two: lemon grass oil and red palm oil. Red palm oil has to be imported in very large quantities in order to extract the active substance known as 'B carotene'. It is not a practical proposition to import such a large quantity of red palm oil. The only other source is lemon grass oil, which is found in our country. But in order to extract the active principles from which vitamin 'A' is extractable, you have to carry out a series of experiments which will require some time, and unless we know the exact processes and can do it successfully, the pilot and commercial stage cannot be arrived at.

Shrimati Tarkeshwari Sinha: What time will be taken to decide this issue?

Shri K. D. Malaviya: Laboratory scale experiments are going on in the National Chemical Laboratory and as soon as they are finished, other stages will be taken up.

Shri Matthen: Is the hon. Minister aware that a large quantity of very good lemon grass oil is being exported from Travancore-Cochin?

Shri K. D. Malaviya: May be exported. I am not aware of it.

Dr. Rama Rao: May I know, in view of the fact that our Government are carrying on experiments to produce vitamin 'A' from lemon grass oil, what steps are Government taking to see that it is not given a bad name before it is born by calling it synthetic vitamin 'A'?

Shri K. D. Malaviya: 'Synthetic' is certainly not a bad name. As a matter of fact, synthetic vitamin 'A' is the best of all which can be produced. In America and in other countries, the best of all which can be produced, effective vitamin 'A' which is produced is through the synthetic process. We may also take up this question after we have completed the experiments on lemon grass oil.

SCHOLARSHIPS TO BLIND STUDENTS

***1269. Shri Radha Raman:** Will the Minister of Education be pleased to state:

(a) the number of Scholarships that are awarded to blind students in India State-wise every year; and

(b) what is their total amount and the share for each State?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) and (b). A statement is placed on the Table of the House. [See Appendix VIII, annexure No. 23.]

Shri Radha Raman: From the statement we find that a large number of States are not getting this scholarship. May I know what is the reason for that?

Dr. M. M. Das: This scholarship scheme envisages that the total amount should be divided into two equal parts, one part to be borne by the Central Government and another to be borne by the State Government. So we ask the State Governments who are prepared to come into this agreement.

Shri Radha Raman: May I know how applications for the scholarship are invited, and whether Government receive applications direct as well?

Dr. M. M. Das: The Central Government do not receive applications direct. They are sent through the State Governments.

Shrimati Kamlendu Mati Shah: Can a blind student be given training in music if he applies for it, and has he to apply to the Centre or to the State?

Dr. M. M. Das: These scholarships are given for higher education and advanced professional training in ordinary institutions of learning. I think, so far as blind students are concerned there is arrangement for giving training in music, but I am not prepared to commit myself.

Sardar A. S. Saigal: Is it not a fact that blind girl schools are running in Delhi and no scholarship has been given or no help has been given to these schools?

Dr. M. M. Das: I think that that blind school is maintained by the Delhi State Government. But I am not sure. *(Interruptions)*.

Mr. Speaker: Hon. Members from one end should not go on talking to hon. Members at the other end. It creates disturbance.

UTILISATION OF GRANTS BY STATES

***1270. Pandit Munishwar Datt Upadhyay:** Will the Minister of Finance be pleased to state the grants to the States which have lapsed since 1950-51 because of their non-utilisation by the respective States within the scheduled time?

The Deputy Minister of Finance (Shri M. C. Shah): I presume the hon. Member has in mind the amounts that lapsed in the State budgets on account of unspent sums from Central grants. A statement giving the available information is laid on the Table. [See Appendix VIII, annexure No. 24.]

Pandit Munishwar Datt Upadhyay: What is the total amount out of which there is a lapse of about Rs. 7 crores, and what are the grounds generally for lapse?

Shri M. C. Shah: I have not got the figure for all these years of the grants. There are various purposes for which grants are given. There are about 17 of them. Shall I read them out?

Mr. Speaker: No.

Pandit Munishwar Datt Upadhyay: I only want to know the total amount of the grants for all these years.

Shri M. C. Shah: That figure is not with me.

Pandit Munishwar Datt Upadhyay: May I know the reasons for this progressive increase of lapses in most of the States?

Shri M. C. Shah: There is no progressive increase. There are two methods of giving the grants. One is the block grant method and the other is the percentage of the scheme method. If the full amount so far as the percentage is concerned is not availed of by the State in the year in which that allotment was made, that is taken into account in the next year. As a matter of fact, so far as the percentage grant is concerned, there will only be this budgetting in the financial year, but that is taken over to the next year. So far as the lump grant is concerned, it has been given and there is no lapse.

Shri Gadilingana Gowd: May I know what is the total amount that has lapsed in the case of the Andhra Government?

Mr. Speaker: For which year?

Shri Gadilingana Gowd: For the one year. It was formed only last year.

Shri M. C. Shah: I have got the figure for Madras; that is upto 1953-54 when it was a composite State. I have not got the figure for Andhra, because for Andhra the grant was given in 1953-54 and the accounts will come later on.

Shri Raghuramalaiah rose—

Mr. Speaker: Next question.

FEDERATION OF BRITISH INDUSTRIAL SCHOLARSHIPS

***1272. Shri Bahadur Singh:** Will the Minister of Education be pleased to state:

(a) whether selection has been made of the persons to be awarded

the Scholarships offered by the Federation of British Industries Scholarships; and

(b) if so, what criteria were followed in the matter of this selection?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) Yes.

(b) The Selection Committee appointed by the Minister of Education, after interviewing the candidates recommended nine persons to the Federation of British Industries for the final selection of six.

Shri Bahadur Singh: May I know whether there is any Selection Board constituted for making selections?

Dr. M. M. Das: Yes. There is a Selection Board constituted by the hon. Minister of Education.

Shri Bahadur Singh: May I know the nature of the practical training in industries that is imparted to the trainees?

Dr. M. M. Das: The usual training as is received by engineers in the industrial factories of the Britishers.

Shri Bahadur Singh: May I know whether the persons who got training in the previous batches were absorbed by Government or they had to seek jobs on their own account?

Dr. M. M. Das: Those candidates who have been selected had all worked for a period of time in big industrial concerns of this country. But, I cannot say whether they will be employed afterwards. I shall require notice.

EVASION OF INCOME-TAX

*1276. **Shri Ramananda Das:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that with a view to avoid paying income-tax and other taxes, many people have been depositing money, gold and jewellery in safe deposit vaults;

(b) if so, whether Government have taken any action to find out the actual

value of such money, jewellery and coins in terms of Rupees; and

(c) if the reply to part (b) above be in the affirmative, the steps taken to realise income-tax from them?

The Deputy Minister of Finance (Shri M. C. Shah): (a) Government have heard rumours to that effect.

(b) and (c). No Sir. It is not possible to find out the actual value of such money since at present the Income-tax Officer has no power to enter premises or to carry out search or to require any person maintaining a safe deposit vault to furnish particulars of locker-holders. In a case where definite information comes into the possession of an Income-tax Officer that there is a possible concealment of income, he calls for a statement of total wealth and takes such other action as the law empowers him to take.

Shri Ramananda Das: Is it a fact that Government employees deposit in these safe deposit vaults in order to evade income-tax?

Mr. Speaker: Order, order.

Shri M. L. Dwivedi: I want to know whether it is a fact that in order to evade income-tax, certain persons use strange devices such as bringing into existence newspapers and then closing them up soon, as such causing unemployment?

Mr. Speaker: I do not think that this question can arise out of this.

Shri Ramananda Das: May I know the total number of safe deposit vaults in the country?

Mr. Speaker: I do not know whether it would be a reasonable question to ask.

Shri T. N. Singh: I want to know whether in these safe deposit vaults even account books and account papers and other confidential papers of businessmen are kept and whether Government have any knowledge of this?

Shri M. C. Shah: Government have no knowledge of that because it has no power to search these vaults.

COMMUNAL REPRESENTATION

*1277. **Shri Rishang Keishing:** Will the Minister of Home Affairs be pleased to state:

(a) whether it is a fact that Government except in a few special cases, generally exclude those of the Christians who are converted from among the Scheduled Castes and Scheduled Tribes from the list of the Scheduled Castes and Scheduled Tribes; and

(b) if so, what is the Government's policy towards those Christians in the matter of reservation of posts?

The Deputy Minister of Home Affairs (Shri Datar): (a) The Scheduled Castes have been defined and listed in the Constitution (Scheduled Castes) Order, 1950, and the Constitution [Scheduled Castes (Part C States)] Order, 1951. According to these definitions no person who professes a religion different from Hinduism shall be deemed to be a member of Scheduled Castes. The only exception made in the Orders is with regard to members of certain castes resident in Punjab or PEPSU who would be regarded as members of Scheduled Castes whether they profess the Hindu or the Sikh religion.

The position with regard to the Scheduled Tribes which is governed by the Constitution (Scheduled Tribes) Order, 1950 and the Constitution [Scheduled Tribes (Part C States)] Order, 1951, is different. The definition of Scheduled Tribes in these Orders is irrespective of the religion professed by the members of the Tribes.

(b) There is no reservation of posts for Christians other than those who are members of Scheduled Tribes.

Shri Rishang Keishing: May I know whether Government have received

any report, complaint or representation from the tribals that they have not been treated as Scheduled Tribes after they have become Christians and that they have been denied all the rights and concessions guaranteed by the Constitution?

Shri Datar: I am not aware of any representations having been received from the Scheduled Tribes.

Shri Rishang Keishing: May I enquire whether the Central and State Governments are following the same policy towards the Christians converted from the Scheduled Tribes?

Shri Datar: Sir, the policy is the same.

Shri Madhao Reddi: May I know whether any representation was received from Travancore-Cochin that the untouchables, even after conversion, mostly remain untouchables and that they should not be excluded from the Scheduled Castes?

Shri Datar: That cannot be helped; the President's Order makes it very clear.

Shri P. N. Rajabhoj: Will the Government be pleased to state what is the total number of Christians today who have been converted from the Scheduled Castes and Scheduled Tribes?

Shri Datar: I am not in a position to give the figures just now.

पर्वतारोहण संस्था

*१२७९. श्री भक्त दर्शन : क्या रक्षा मंत्री २३ फरवरी, १९५४ को पूछे गये तारांकित प्रश्न संख्या २६२ के उत्तर के सम्बन्ध में यह बतान की कृपा करेंगे कि दार्जिलिंग में एक पर्वतारोहण संस्था की स्थापना के बारे में क्या प्रगति हुई है ?

The Deputy Minister of Defence (Sardar Majithia): Pending the registration of the Constitution of the Institute, an ad hoc Board has been set up under the Chairmanship of the Prime Minister. The Board will be

responsible for the Himalayan Mountaineering Institute, Darjeeling. The Principal, the Director of Field Training and Instructor Guides have been appointed for the Institute. They have all recently undergone a short course of training in Switzerland.

The West Bengal Government have acquired on rent a building for the Institute at Darjeeling pending the construction of its own buildings. The equipment required for the Institute, which had been ordered from abroad, is on its way to India. The first course is expected to commence by the end of October 1954.

श्री भक्त वरुण : क्या मंत्री महोदय यह बताने की कृपा करेंगे कि इस पर्वतारोहण संस्था के लिये कोई पाठ्यक्रम निर्दिष्ट कर दिया गया है, और यदि कर दिया गया है, तो क्या वह सदन के पटल पर रक्खा जायगा ?

Mr. Speaker: Will he place on the Table of the House the curriculum, if any, for this?

Sardar Majithia: About the syllabus, they will be given training in various subjects, geography, geology etc. I will place the syllabus on the Table of the House.

ARTIFICIAL RAINS

*1280. Dr. Ram Subhag Singh: Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether it is a fact that showers have occurred in and around Patna in July, 1954, as a result of cloud-seeding by means of hydrogen-filled balloons; and

(b) if so, whether such rains could be produced over wider areas?

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): (a) Government have no reliable data on the subject.

(b) Does not arise.

Dr. Ram Subhag Singh: The Deputy Minister said that the Government had no reliable data on the matter. May I know what sort of data the Government is having and whether he is in a position to disclose that?

Shri K. D. Malaviya: In a general way, I may state that the whole subject of artificial rain-making is in a very very experimental stage and no conclusive results have been arrived at by the scientists on which data can be established.

I may, in this connection, state or quote one sentence of the world Meteorological Organisation technical note which has been recently published.

"The operations which have so far been carried out have produced results that could be termed, at best, inconclusive; neither a complete failure of the methods employed nor the certainty of getting substantially increased rainfall have been demonstrated."

EXPORT DUTY IN HYDERABAD

*1284. Diwan Raghavendra Rao: Will the Minister of States be pleased to refer to the reply to starred question No. 102 asked on the 18th February, 1954 and state:

(a) whether Government propose to give further extension to the system of levying export duty in the Hyderabad State; and

(b) if so, the number of years for which the extension is proposed to be given?

The Minister of Home Affairs and States (Dr. Katju): (a) No such proposal is under consideration.

(b) Does not arise.

Diwan Raghavendra Rao: May I know whether the Government have received representations from border area in order to stop this levying of export duty because of the increase of the unsocial element in that area?

Dr. Katju: I have received no such reports.

PRIMARY SCHOOLS IN KUTCH

*1286. **Shri Dholakia:** Will the Minister of Education be pleased to state:

(a) whether there are any Primary Schools in Kutch State where Harijan students are not admitted;

(b) if so, the number of such private and Government Schools; and

(c) the number of such private schools as receive 'grant-in-aid' from Government?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) to (c). The information is being collected and will be placed on the Table of the Lok Sabha in due course.

Shri Velayudhan: May I know whether the Government have got information from any other State where Harijan children are not admitted in the primary schools in spite of that Government order?

Dr. M. M. Das: We have got no information.

Mr. Speaker: How does that arise?

ब्रिटिश स्मारक

*१२८७. **श्री रघुनाथ सिंह :** क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार ने ब्रिटिश स्मारकों के सम्बन्ध में सारे राज्यों में लागू करने के लिये एकरूप नीति बनाई है ; और

(ख) क्या किसी राज्य ने इस सम्बन्ध में कोई योजना भेजी है ?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) The matter is under consideration.

(b) Some of the States have sent preliminary information about such monuments.

श्री रघुनाथ सिंह : इन स्टेटों के नाम हम जान सकते हैं ?

Dr. M. M. Das: The Central Government asked the States to send detailed catalogues of these monuments, statues etc. The States of Andhra, Bengal and Bombay have sent such catalogues. We are expecting such detailed reports from U.P. and Madras.

Shri Raghuramalah: May I know whether the Central Government have indicated any general lines to the States on which these statues should be disposed of?

Dr. M. M. Das: The Central Government have written to the States to know two things; one is a detailed list of these statues etc., and the other, the views of the Chief Ministers of the States. These views have not yet been received by us.

Shri M. L. Dwivedi: What are the recommendations of the Madras Government in this respect?

Dr. M. M. Das: The Madras Government have written to us that this question will be considered by the Madras Cabinet in the month of September.

Sardar A. S. Saigal rose—

Mr. Speaker: Order, order. I am going to the next question. It is no use asking information about each separate State.

मंत्रालय के प्रतिवेदनों के हिन्दी संस्करण

*१२८८. **श्री एम० एन० सिंह :** क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि क्या मंत्रालय के प्रतिवेदन और अन्य प्रकाशनों के हिन्दी संस्करण निकालने का विचार है ?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): Yes, Sir, of some of the reports and other publications.

Pandit D. N. Tiwary: May I know how many of them are issued at present?

Dr. M. M. Das: Only one report has been published—*Azadi Ke Sat Varsh*; others are under preparation.

Shri S. N. Das: May I know whether any programme has been drawn up and if so what is that programme?

Dr. M. M. Das: A programme has been drawn up to bring Hindi editions of the following reports: (a) the annual report to Parliament on the activities of the Ministry, (b) the popular summarised version of this report and (c) A review of Education in India submitted every year to the International Bureau of Public Education at Geneva.

It is also proposed to publish the following pamphlets in Hindi: (a) *Student indiscipline*, (b) *Basic and social education*, (c) *Syllabus for basic schools*, (d) *Scholarships for Scheduled Castes, Tribes and other Backward Classes, Second Edition* and (e) *Handbook of Suggestions for Teachers in Small Rural Schools*.

Shri M. L. Dwivedi: Will the Minister place on the Table of the House a copy of the vocabulary used in the translation of these reports?

Dr. M. M. Das: This report *Azadi Ke Sat Varsh* has been circulated to hon. Members.

Shri M. L. Dwivedi: I am asking for the vocabulary.

Mr. Speaker: Order, order.

Shrimati Tarkeshwari Sinha: May I know if the Education Ministry is responsible for the publication in Hindi of the reports of their own Ministry or whether they give advice to other Ministries as well for these publications?

Dr. M. M. Das: The hon. Member knows well that we are not in a position up till now to publish all our documents of the Central and State Governments in Hindi because the vocabulary has not yet been prepared in full.

INCOME-TAX DEPARTMENT (PUNJAB)

***1289. Shri D. C. Sharma:** Will the Minister of Finance be pleased to state:

(a) the number of Officers, Inspectors and other employees in the Income-tax Department at present in the Punjab;

(b) the number of Scheduled Caste employees among them;

(c) whether Income-tax Inspectors have recently been recruited by the Income-tax Commissioner, Jullundur; and

(d) if so, the number recruited and the method of selection?

The Deputy Minister of Finance (Shri M. C. Shah): (a) There are 47 Officers, 27 Inspectors and 493 other employees working in the Income-tax Department, Punjab, as on 31st July, 1954.

(b) 42 employees belong to Scheduled Castes.

(c) and (d). There is only one Commissioner of Income-tax for the whole of Punjab, PEPSU and Himachal Pradesh. In July 1954, he recruited four Inspectors out of whom one belongs to the Scheduled Caste. The method of selection is by interview of candidates whose names had been sponsored by the Employment Exchange.

Shri D. C. Sharma: May I know, roughly speaking, what is the ratio of other employees to inspectors and of inspectors to officers?

Shri M. C. Shah: I cannot tell the exact ratio. As a matter of fact it has been laid down that 18-2/3 per cent. of the vacancies allowed for direct recruitment should be reserved for members of the Scheduled Caste and 5 per cent. of the vacancies for Scheduled Tribes. Accordingly, whenever there are vacancies we follow this rule.

Shri D. C. Sharma: May I know if the selection committees that are set

up by Income-tax Commissioners are departmental committees, or they consist also of some eminent outsiders?

Shri M. C. Shah: So far as the Income-tax staff—that is ministerial staff and inspectors—is concerned, there is the departmental promotion committee whenever there is a question of promotion from the lower rank to the higher rank.

Shri D. C. Sharma: Is it not a fact that the number of officers is out of proportion to the number of Income-tax Inspectors who do a lot of work?

Shri M. C. Shah: No, Sir, it is not out of proportion.

FREE EDUCATION TO AFRICAN STUDENTS

*1291. **Shri S. N. Das:** Will the Minister of Education be pleased to state:

(a) whether the scheme under which the governments of Parts 'A' and 'B' States were asked to give free education in their States to two African students each, has been developed and is in operation; and

(b) if so, the number of such students as are receiving free education in different States?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) Yes, Sir.

(b) Ten, including seven holding freeships offered by Universities.

Shri S. N. Das: May I know the names of the States which have accepted this scheme?

Dr. M. M. Das: U.P., Rajasthan, Madhya Bharat, Bihar, Hyderabad, Delhi, Punjab, Saurashtra, Mysore, West Bengal, and Madhya Pradesh.

Shri S. N. Das: May I know whether there are any other schemes for the education of persons coming from African countries, and if so, what is the nature of those schemes?

Dr. M. M. Das: Sir, at present there are three schemes for providing educational facilities to African students. The first one is the General Cultural

Scholarship Scheme which is extended to African countries and other Commonwealth countries. A total of 255 students are studying under this scheme today in India, coming from 34 countries. There is another scheme for Central Africa, East Africa, Fiji, Mauritius and British West Indies, to give training in village handicrafts and cottage industries. The Central Government have provided Rs. 28,000 this year in their Budget for the scheme. The third one is the present scheme in which the Central Government have requested the State Governments and Universities to give free education, boarding, lodging and maintenance stipends to African students, two students per State or university.

Shri S. N. Das: May I know whether separate figures are available for different parts of African countries?

Dr. M. M. Das: No, Sir. I can give the total number of African students that are studying today under the first and third schemes. Under the General Scholarship Scheme 92 indigenous students, that is, not of Indian origin, but of African origin, and ten students have arrived under the present scheme. We are expecting some more very soon.

Shri S. N. Das: May I know the total amount that has been spent so far and the total amount sanctioned?

Dr. M. M. Das: So far as the General Cultural Scholarship Scheme is concerned, I think the total budget provision is Rs. 6,25,000 for the current year. So far as the scheme for imparting education on village handicrafts and cottage industries, Rs. 28,000 has been provided this year in the Budget. With regard to the present scheme the Central Government has to incur no expenditure at all.

VISIT OF DANISH EXPERT

*1292. **Shri Krishnacharya Joshi:** Will the Minister of Education be pleased to state:

(a) whether Dr. Peter Manniche, a Danish Expert in Folk Schools and

Rural Colleges, visited India in January, 1954; and

(b) if so, how many educational institutions he visited and what are his recommendations?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) Yes.

(b) Dr. Peter Manniche visited 18 institutions and recommended the establishment of a People's Institute, a People's College and a Training College for teachers in Adult Education.

Shri Krishnacharya Joshi: May I know whether the Danish Doctor was invited by the Government of India and if so, what is the expenditure incurred by the Government?

Dr. M. M. Das: He was invited by the Government of India and the total expenditure incurred was Rs. 1,900.

Shri Krishnacharya Joshi: May I know how many States he visited?

Dr. M. M. Das: I have got a detailed list. He visited about 18 institutions in different States.

Shrimati Ila Palchoudhury: May I know in which States these institutions have been put up and his recommendations put into force.

Dr. M. M. Das: No decision has been taken about his recommendations.

IMPORTED STORES SCREENING COMMITTEE

*1293. **Ch. Raghubir Singh:** Will the Minister of Defence be pleased to state what recommendations have so far been made by the Imported Stores Screening Committee and how far they have been implemented?

The Deputy Minister of Defence (Shri Satish Chandra): Since its inception in 1949, the Imported Stores Screening Committee has recommended 17,191 items of defence stores for indigenous manufacture. Firm de-

mands for 4,071 items worth Rs. 95,22,746, placed on indigenous sources, have materialised and those items have consequently been removed from the imported list. Apart from general stores and clothing, these items include Mechanical Transport, Naval, Medical and Signal stores.

SOCIAL WELFARE INSTITUTIONS

*1294. **Shri Bhagwat Jha Azad:** Will the Minister of Education be pleased to state:

(a) the number of social welfare institutions which are expected to receive aid from the Central Social Welfare Board within the Five Year Plan period; and

(b) how much of the amount set apart for the year 1953-54 has been utilised by the Central Social Welfare Board in that year?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) It is not possible to state the number till the period is over.

(b) The Board has sanctioned grants to the extent of Rs. 20,21,000 during 1953-54. Out of this, an amount of about Rs. 10.5 lakhs has been disbursed to the institutions up-to-date.

Shrimati Jayashri rose—

Shri Bhagwat Jha Azad: May I know whether the units of the Social Welfare Board have been organised in all the States? If not, in which States have not been organised?

Dr. M. M. Das: In a large number of States—I have not the figures with me,—but it will be about ten States where State Boards have not yet been organised.

Mr. Speaker: Shrimati Raijee may put her question.

Shrimati Jayashri: I wanted to ask the same question.

Shri Bhagwat Jha Azad: May I know whether any condition is imposed before giving such grant to the

institution, and is it a fact that in some cases the institution consists of only one person to whom the grant is given?

شکشا و پرواکرتک سلسلہ دہن تھا
ویگھانک گویشلہ ملتوی (مولانا آزاد) :
نہیں ہمارے علم میں ایک بھی
ایسی مثال نہیں آئی ہے -

[The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): No! any such case has not come to our notice.]

Shri Bhagwat Jha Azad: I asked in my first question and the Government said that they had no figures up till now of the number of institutions to whom the grant has been given. May I know what action has been taken where the branch of this Board has not been organised?

Dr. M. M. Das: I have not said that there is no record of the different institutions to which grants have been given. I only said that at present I do not know what are the States of India in which the State Boards have not been constituted. I can name the States where grants have been given. I have got with me the amounts of grants and the different institutions to which the grants have been given.

DISPLACED STUDENTS IN MANIPUR

*1295. **Shri Rishang Keishing:** Will the Minister of Education be pleased to state:

(a) the number of displaced students in Manipur who have been awarded scholarships so far by the Government under their Rehabilitation Schemes;

(b) the amount of money placed at the disposal of the State Government so far for such scholarships; and

(c) the basis on which these scholarships are awarded?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) 462.

(b) In 1953-54—Rs. 9,496.

In 1954-55—April 1954 to August 1954—Rs. 5,000.

(c) A statement is placed on the Table of the House. [See Appendix VIII, annexure No. 25.]

Shri Rishang Keishing: May I know when this scheme for financial assistance to displaced students and trainees from Pakistan was passed on to the State Government of Manipur, and since when this scheme was given effect to?

Dr. M. M. Das: I think the scheme was given effect to in Manipur in the year 1951-52. But I am not prepared to commit myself.

Shri Rishang Keishing: Is it not a fact that in spite of repeated requests from displaced persons and reminders from the Central Government, the State Government delayed the implementation of the scheme, and if so, the reasons therefor?

Mr. Speaker: Did he not catch the question?

Dr. M. M. Das: I have understood the question, but we have got no information about it.

बोड़े समय के लिये होने वाली भर्ती

*१२९६. श्री भक्त बर्षान : क्या
रक्षा मंत्री यह बताने की कृपा करेंगे :

(क) क्या "बोड़े समय के लिये होने वाली भर्ती" बन्द कर देने का निश्चय कर लिया गया है ;

(ख) यदि हां, तो इस के क्या कारण हैं; और

(ग) इसे किस तिथि से लागू किया जायगा ?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes; in the Army, except for Non-combatants (enrolled) and Pioneer Corps. Short Service Enrolment in the Navy and the Air Force was discontinued on the cessation of hostilities at the end of World War II.

(b) Short Service Enrolment was introduced in the three services to meet the then shortage of troops. As sufficient number of trained recruits on regular terms are now available, it is not considered necessary to enrol personnel on short service enrolments.

(c) Orders to discharge Short Service Enrolled personnel in the Army were issued on the 18th August 1954. The discharge will be completed by 1st April 1956.

श्री भक्त वरदान : क्या मैं जान सकता हूँ कि इस समय जो श्रेणी के कर्मचारी हैं उन को किस प्रकार भारतीय सेना में स्थायी रूप से रखा जायेगा ?

Sardar Majithia: So far as the Air Force is concerned, those persons who volunteered to go into the Regulars and were found fit, were taken in, and I believe the same is the case in the other Services.

श्री भक्त वरदान : क्या इस निर्णय का प्रभाव 'शॉर्ट' सर्विस कमिशन के आफिसर्स पर भी होगा ? यदि नहीं, तो क्या उन्हें स्थायी बनाने के बारे में कोई योजना तैयार की जा रही है ?

Sardar Majithia: That holds good for the Short Service Commission also because quite a number of Short Service Commission officers have been taken into the Regulars.

LAW AND ORDER IN KUTCH

*1297. Shri Dholakia: Will the Minister of States be pleased to state:

(a) whether Government are aware that the anti-social elements in many parts of Kutch are disturbing law and order position there; and

(b) whether Government have taken any steps to check their activities?

The Minister of Home Affairs and States (Dr. Katju): (a) and (b). Government have no information. An enquiry is being made and further information if and when received will be placed on the Table of the House.

Shri Bhawanji: Is it a fact that the District Magistrate of the area recently toured round the Raper Taluk and has taken suitable action?

Dr. Katju: My hon. friend knows much better than I do.

LIBRARIES

*1298. Shri D. C. Sharma: Will the Minister of Education be pleased to state whether any amount has been sanctioned to, and availed of, by the State Governments for the development of libraries in the country?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): The following amounts have been sanctioned to the State Governments and utilized by them for the development of libraries:—

	Amount sanctioned	Amount utilized
	(Rs. in lakh)	(Rs. in lakhs)
1952-53 . .	8.52	5.76
1953-54 . .	10.13	5.14
Total . .	18.65	10.90
1954-55 . .	14.38	Not yet known as the year has not yet been over
Grand Total	33.03	..

Shri D. C. Sharma: May I know why the grants lapsed for 1952 and 1953? Does it mean that the States are not very keen in the matter?

Dr. M. M. Das: It is not for want of any keenness on the part of the States that some of the grants have lapsed, or rather that the whole amount has not been utilised by the States. There are two reasons for this. When the scheme was introduced, the States were not prepared with their plans, and, secondly, the States have to bear a part of the total expenditure. So, they have to make their own financial arrangements.

Shri D. C. Sharma: May I know if a directive has been issued by the

Central Education Ministry to the States that they should develop the Central library in each State?

Dr. M. M. Das: There are two schemes for the development of libraries so far as the States are concerned. In one of the schemes, we have asked the State Governments to develop the Central libraries.

Shri M. D. Ramasami: May I know whether this grant is in addition to the library cess collected by the Madras State?

Dr. M. M. Das: Regarding the total grant given to the Madras State I can give the figures year by year.

Shri D. C. Sharma: Is this grant meant for a particular library at a particular place or is the State at liberty to disburse the grant in any way it likes?

Dr. M. M. Das: There are two schemes under the Five Year Plan of the Education Ministry. One is the integrated library service in an area selected for intensive educational development. It is the integrated scheme for the development of social and basic education along with the development of libraries. In the second scheme, improvement of libraries in general for the State as a whole is the objective.

COUNTERFEIT COINS

*1299. **Shri Krishnacharya Joshi:** Will the Minister of Home Affairs be pleased to state:

(a) whether Government are aware of a gang of manufacturers of counterfeit coins working in the various States of the Indian Union; and

(b) whether the Hyderabad Police arrested five members of the gang in Adilabad District?

The Deputy Minister of Home Affairs (Shri Datar): (a) and (b). Two inter-State gangs were unearthed in Hyderabad State in June 1954. In Adilabad District the police arrested three persons of a gang from whom 61 counterfeit coins (Indian Rupees) were recovered. 41 such coins were also

seized from two other persons in this case. At Warangal Railway Station, the Hyderabad Railway Police arrested one person of another gang from whom 18 counterfeit coins (Indian Rupees) were recovered. The case is pending trial in the court.

Shri Krishnacharya Joshi: May I know in how many States this gang is working?

Shri Datar: There are two inter-State gangs in Hyderabad, four in Madhya Pradesh and some in Uttar Pradesh.

Shri Krishnacharya Joshi: How many persons were prosecuted in the Hyderabad State?

Shri Datar: These are the persons who were arrested and prosecuted before the Railway Sub-Magistrate, Secunderabad.

Shri Krishnacharya Joshi: What action have Government taken to prevent the manufacture of counterfeit coins?

Shri Datar: The State Government are taking all necessary action in this respect.

TRAINING IN DISCIPLINE

*1300. **Shri Bhagwat Jha Azad:** Will the Minister of Education be pleased to state:

(a) whether it is a fact that a three weeks training course was conducted in Kasturba Niketan, Delhi, for inculcating a sense of discipline among children; and

(b) if so, whether Government now propose to conduct similar courses in other places also?

The Parliamentary Secretary to the Minister of Education (Dr. M. M. Das): (a) Yes, Sir.

(b) The Delhi State Government has been advised to consider the desirability of trying this scheme in other Schools also.

Shri Bhagwat Jha Azad: May I know whether the Government has ascertained whether, in such a training which is only for three weeks there is any extra cost involved and whether it is a fact that this training can be introduced without any cost?

Dr. M. M. Das: Nothing can be produced without any cost. For this training also we have to appoint, according to the scheme, ex-service men as instructors in the schools.

Shri Bhagwat Jha Azad: May I know if it is in the knowledge of the hon. Parliamentary Secretary that such a training was imparted to the Kasturba Niketan girls and boys at no cost, without incurring any extra expenditure?

Dr. M. M. Das: In that case—I speak subject to correction,—the Deputy Minister of Rehabilitation took the charge of instructor on himself; but even so, approximately Rs. 5,000 or so were spent on the scheme.

Shri Raghuramiah: May I know whether the Government is considering to take up this with the other State Governments also besides the Delhi Government?

شکشا و پراکرتک سلسلہ میں

ویگیاژک گویشہا مددگی (مولانا آزاد):

ہاں اس پر غور کیا جا رہا ہے۔

[The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): Yes, this is under consideration.]

Mr. Speaker: Is there any hon. Member who wants to put the question now. Is there any question which any hon. Member who was not present earlier in the House wishes to put? If so, he may put it now.

Shri Viswanatha Reddy: No. 1275.

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COASTAL BATTERY IN VISAKHAPATNAM

***1275. Shri Viswanatha Reddy:** Will the Minister of Defence be pleased to state:

(a) whether it is a fact that a coastal battery has been constructed in the middle of the beach in Visakhapatnam;

(b) whether it is a fact that the battery cuts off the road along the beach; and

(c) whether there is any proposal to shift the battery elsewhere in order to remove the interruption on the road?

The Deputy Minister of Defence (Sardar Majithia): (a) Yes, Sir.

(b) Yes, but a diversionary route is available.

(c) No.

Shri Viswanatha Reddy: May I know whether the Government is aware that the usefulness of the marine drive on the Vizagapatam beach has been completely spoiled because of the existence of this battery and the diversion route that has been suggested by the hon. Minister goes through a very congested locality and therefore does not provide enough space for vehicles to move about?

Sardar Majithia: As the hon. Member will appreciate, the location of the battery is on strategic grounds and the defence of the country comes in first and foremost.

Dr. Rama Rao: May I know what prevents the Defence Ministry from shifting the battery a few yards away?

Mr. Speaker: He has just replied; strategic considerations prevail.

Shri Viswanatha Reddy: May I know whether the Government will consider taking the beach road through the battery where there is enough space instead of taking it through a circuitous route?

Sardar Majithia: This is a suggestion which will be looked into.

Dr. Ram Subhag Singh: Question Nos. 1274 and 1118 may be allowed to be answered. These are very important questions.

Mr. Speaker: Are both the same?

The Deputy Minister of Finance (Shri M. C. Shah): They are on different subjects. I will reply to both.

Mr. Speaker: Then let us go one by one. Now 1274.

CONVERTIBILITY OF STERLING

*1274. **Dr. Ram Subhag Singh** (on behalf of **Shri Tulsidas**): Will the Minister of Finance be pleased to state:

(a) whether the U.K. Government have been keeping the Government of India informed of developments relating to the convertibility of Sterling;

(b) if so, whether the Government of India have communicated their views; and

(c) whether the subject is likely to come up for discussion at the forthcoming meeting of the International Monetary Fund in September, 1954?

The Deputy Minister of Finance (Shri M. C. Shah): (a) Yes, Sir.

(b) There has been exchange of ideas between Commonwealth Governments.

(c) The item is not included in the agenda for the meeting.

Shri L. N. Mishra: This year's annual report of the International Monetary Fund says that significant progress has been made towards the convertibility of sterling. May I know whether this development has been of any special and definite benefit to India? If it is so, I want to know the details of such benefit.

Shri M. C. Shah: I do not know how that arises out of this question. The question is about convertibility. I do not know what the hon. Member wants to know.

Mr. Speaker: He referred to some report.

Shri M. C. Shah: It has no connection with this question.

Shri L. N. Mishra: I wanted to know this. This year's report of the International Monetary Fund says that there has been significant progress towards the convertibility of sterling. I want to know whether this progress has been of any special benefit to India, being a member of it.

Shri M. C. Shah: This question does not relate to that question. The main question is about the convertibility of sterling. All these questions are discussed by the Commonwealth Finance Ministers. It is a question for the United Kingdom to agree just to take a decision about the convertibility or not but at the same time they always consult the Commonwealth Finance Ministers because they happen to belong to the sterling bloc and therefore that question does not arise at all.

Shrimati Tarkeshwari Sinha: May I know if there is any possibility of the sterling exchange rate being changed outside the present rate, that is, 2.78 to 2.82 dollars to one pound? Is there any possibility of that rate being changed after this Conference?

Shri M. C. Shah: That also does not arise out of this.

Mr. Speaker: It is premature to say. Let the Conference deliberations come to an end.

Shri Joachim Alva: May I know whether Government have any plans by which we are irrevocably tied up to the sterling area whereas Canada which is in the Commonwealth is in the dollar area? May I know whether Government have any proposals by which we shall have a monetary area stretching from Cairo to Djakarta.....
(Interruptions.)

Mr. Speaker: I would ask him to reply to the latter of the question.

STERLING BALANCES

*1118. **Dr. Ram Subhag Singh** (on behalf of **Shri Tulsidas**): Will the Minister of Finance be pleased to state:

(a) the amount of Sterling Balances at the beginning of 1954 and at the end of June, 1954;

(b) whether, in view of our comfortable foreign exchange position, we are able to utilise Sterling Balances to the full extent specified in the Sterling Balances Agreement; and

(c) if not, what steps Government propose to take in the matter?

The Deputy Minister of Finance (**Shri M. C. Shah**): (a) The amount was Rs. 727 crores at the beginning of January 1954 and Rs. 744 crores at the end of June 1954.

(b) and (c). We have not in the past utilised the Sterling releases to the full extent but it is expected that with the increasing tempo of developmental expenditure a much larger expenditure of foreign exchange will be required in the future.

Shri L. N. Mishra: I want to ask whether Government have tried to assess what percentage of increase would approximately be made in the utility of Sterling Balances as a result of this import policy of the Government?

Shri M. C. Shah: I have no.....

Mr. Speaker: Percentage of increase in the Sterling Balances as a result of the proposals of the Government.

Shri M. C. Shah: Really speaking, by the liberalisation of the import policy, the sterling balances will be reduced.

Shri Sadhan Gupta: May I know what portion of the sterling balances has been utilised during this period for getting capital goods from Britain and what portion for getting other kinds of goods?

Shri M. C. Shah: The question is about the sterling balance at a particular date in January 1954 and in June 1954. I have got no figures that my hon. friend asks me to supply. That does not also come under this question.

WRITTEN ANSWERS TO QUESTIONS

DUTY FREE GOODS

*1262. { **Shri A. K. Gopalan**:
Shri V. P. Nayyar:

Will the Minister of Finance be pleased to state:

(a) the value of duty free goods which an Indian resident of Ceylon can bring with him on his visit or return to India;

(b) whether it is a fact that a number of Indian residents of Ceylon have complained about the low limits upto which textiles, intended for family use, could be taken duty-free by them while returning to India; and

(c) if so, the action taken by the Government of India in the matter?

The Deputy Minister of Finance (**Shri A. C. Guha**): (a) *Bona fide* baggage imported in reasonable quantity by a passenger for his personal use is allowed free of duty. Certain articles, e.g., cloth, motor cars, arms and ammunition, are however, not entitled to this concession. No monetary limit has been fixed in respect of goods which may be brought in free of duty by a person (whether Indian or otherwise) coming from Ceylon to India except in the case of a few specified articles viz., jewellery, household linen and silver and platedware.

(b) The Government of India have received a representation purporting to have been signed by about 300 Indians in Ceylon. The representation contains *inter alia* a request that each Indian passenger from Ceylon should be allowed to bring into India free of duty textiles upto the value of at least Rs. 100.

(c) The Government of India have given their careful consideration to the representation and find that liberalisation of the baggage concessions as applicable to Indian residents of Ceylon coming on a temporary visit to India, is not feasible, having regard to the repercussions which such liberalisation will have on the baggage concessions for passengers from other countries.

"SERVICE CHARGES" TO LOCAL BODIES

***1271. Shri S. C. Samanta:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Central Government have decided to pay 'service charges' to the local bodies for the properties of the Union lying in the latter's jurisdiction in spite of Clause (i) of Article 285 of the Constitution;

(b) if so, from which date these 'service charges' will be paid;

(c) the specific services for which payments will be made; and

(d) what sort of properties will be exempted from such 'service charges'?

The Deputy Minister of Finance (Shri M. C. Shah): (a) Yes, Sir; but Government are advised that the payment of such 'Service Charges' is not excluded by Clause (I) of Art. 285.

(b) to (d). A copy of a letter addressed to State Governments on 10th May 1954 setting out the basis for this arrangement is laid on the Table. [See Appendix VIII, annexure No. 26.]

LOWER-GRADE MICA OF ANDHRA

***1278. Shri Ramachandra Reddi:** Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) whether a large stock of lower-grade mica of Andhra State is lying unsold in U.K.;

(b) if so, the approximate value thereof;

(c) whether this slump has adversely affected mica mining and trade; and

(d) the steps taken by Government for its disposal?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b). A statement giving information regarding stocks of mica lying unsold in U.K. is laid on the Table of the House. [See Appendix VIII, annexure No. 27.]

Separate figures regarding mica of Andhra State are not available.

(c) A statement showing the quantity and value of exports of mica from India during the years 1951, 1952 and 1953, is laid on the Table of the House. [See Appendix VIII, annexure No. 27.]

It will be seen therefrom that the marketing position of block mica continues to be fairly satisfactory, but the abnormal demand for splittings which was created between 1947 and 1951 by the U.S.A.'s stock piling has since disappeared. This should not be regarded as slump in mica trade.

(d) The matter is under consideration in consultation with the U.K. Government.

SEIZURE OF OPIUM

***1281. Shri U. M. Trivedi:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that very large quantity of opium was seized in Jaura in Madhya Bharat in June, 1954; and

(b) if so, the quantity thus seized?

The Deputy Minister of Finance (Shri A. C. Guha): (a) and (b). There was no seizure of illicit opium in June 1954 but a quantity of 7 mds. and 36 srs. of opium was seized in Jaura in July, 1954.

FLOOD RELIEF MEASURES

***1282. Th. Jugal Kishore Sinha:** Will the Minister of Finance be pleased to state:

(a) whether the Central Government have issued any directives to the Bihar Government for the proper utilisation of grants sanctioned for the flood relief measures; and

(b) whether any checks are exercised by the Central Government in such cases?

The Deputy Minister of Finance (Shri M. C. Shah): (a) No, Sir.

(b) As the payment of the grants to the State Government will depend on the actual expenditure incurred on each item, as verified by the Audit Department, the question of exercising any special check does not arise.

LOAN TO ANDHRA

*1283. **Shri Buchhikotalah:** Will the Minister of Finance be pleased to refer to the reply to a supplementary question raised on starred question No. 259 asked on the 30th August, 1954 and state:

(a) the amount of loan so far given to Andhra;

(b) whether any suggestions were made by the Centre for the utilization of the loan; and

(c) if so, the suggestions made and the reactions of the State Government in this connection?

The Deputy Minister of Finance (Shri M. C. Shah): (a) No disbursement has so far been made to Andhra against the loan assistance of Rs. 920 lakhs offered to them in 1954-55.

(b) No Sir.

(c) Does not arise.

CIVILIAN DEFENCE EMPLOYEES

*1290. { **Shri A. K. Gopalan:**
 Shri Punnoose:

Will the Minister of Defence be pleased to state:

(a) the total number of Civilian Defence employees, who have been retrenched since September, 1952;

(b) the total number of employees who have been paid gratuity, which the retrenched personnel are entitled to;

(c) the reasons for the delay in clearing their arrears; and

(d) the steps that are being taken by Government to clear them?

The Deputy Minister of Defence (Shri Satish Chandra): (a) 8,124.

(b) Out of 782 persons entitled to gratuity, 303 have been paid so far.

(c) The main reasons for the delay are:

(i) lack of information regarding the whereabouts of the entitled persons; and

(ii) time taken in verification of claims.

(d) Efforts are being made to ascertain the last-known addresses of the individuals and instructions have been issued to all concerned to speed up disposal of the outstanding claims.

PRE-PRIMARY TEACHERS TRAINING COLLEGE

649. **Shri Dholakia:** Will the Minister of Education be pleased to state:

(a) the names of the places where there are training colleges maintained by Government or receiving aid from Government for Pre-Primary Teachers;

(b) the total number of such colleges;

(c) the number of Government and private institutions among them;

(d) the number of persons receiving training in these institutions; and

(e) the total expenditure incurred on them during the year 1953-54?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (e). The required information is being collected from the various States and will be placed on the table of the House as soon as it is received in this Ministry.

TOBACCO

650. **Shri D. C. Sharma:** Will the Minister of Finance be pleased to state:

(a) the area in acres in which tobacco was grown during the years 1950-51, 1951-52 and 1952-53 in the districts of the Punjab; and

(b) the quantity of tobacco produced in that area during the same periods?

The Deputy Minister of Finance (Shri A. C. Guha): (a) and (b). A statement containing the requisite information is laid on the Table of the Sabha. [See Appendix VIII, annexure No. 28.]

CUSTOMS AUTHORITIES IN NAGAPATTINAM

651. { **Shri A. K. Gopalan:**
 Shri V. P. Nayar:

Will the Minister of Finance be pleased to state:

(a) whether Government have received any complaints against the Customs Authorities in Nagapattinam during the period January to April, 1954;

(b) if so, what are the allegations; and

(c) the action, if any, taken there-on?

The Deputy Minister of Finance (Shri A. C. Guha): (a) to (c). A statement showing particulars of complaints received by the Government against the Customs authorities at Nagapattinam during the period January to April 1954, and the action taken thereon by Government of India, is laid on the Table of the Lok Sabha. [See Appendix VIII, annexure No. 29.]

DEFENCE EMPLOYEES

652. **Shri V. P. Nayar:** Will the Minister of Defence be pleased to state:

(a) the total number of industrial and non-industrial employees serving in each Ordnance Depot and M.E.S. and E.M.E. workshops as on 1st June, 1954;

(b) the total number of trade apprentices in these establishments; and

(c) the total number of employees surplus to the requirement at present in these establishments or likely to be declared surplus during the current year?

The Deputy Minister of Defence (Shri Satish Chandra): (a) For reasons

of security, the designation, location and strength of each Ordnance Depot and E.M.E. Workshop cannot be disclosed. The total strength of industrial and non-industrial personnel in Ordnance Depots, M.E.S. Workshops and E.M.E. Workshops is as follows:

(i) Industrial

Ordnance Depots	37,073
M.E.S. Workshops	20,896
E.M.E. Workshops	8,726

(ii) Non-industrial

Ordnance Depots	17,547
M.E.S. Workshops	14,580
E.M.E. Workshops	3,787

(b) 156.

(c) The manpower requirements of the Defence Establishments are assessed periodically and the strength of each establishment fixed according to the work-load factors. Retrenchment is avoided wherever possible. It is not possible to indicate in advance the number of employees to be retrenched in the year.

INSURANCE COMPANIES

653. **Shri Jhulan Sinha:** Will the Minister of Finance be pleased to state how many Insurance Companies with mainly foreign capital and management have withdrawn their activities from India during the last three years?

The Deputy Minister of Finance (Shri M. C. Shah): Five.

HALI SICCA

654. **Shri Krishnacharya Joshi:** Will the Minister of Finance be pleased to refer to the reply to starred question No. 867 asked on the 10th March, 1954 and state:

(a) the total amount of Hall Sicca withdrawn from circulation by the Government in Hyderabad upto the end of July, 1954 in connection with the demonetisation of Hyderabad currency; and

(b) the total amount of India Government currency supplied so far?

The Deputy Minister of Finance (Shri A. C. Guha): (a) The total amount of Hali Sicca Currency withdrawn from circulation up to the end of July 1954 is O.S. Rs. 31.93 crores.

(b) The total amount of Indian Currency supplied up to the end of July, 1954 is Rs. 81.13 crores.

ORDNANCE FACTORIES

655. Shri A. K. Gopalan: Will the Minister of Defence be pleased to state:

(a) the number of strikes including hunger strikes, and lockouts in each ordnance factory, the number of man-days lost, the number of workers involved and the reasons for these strikes etc. since the 1st April, 1953; and

(b) the number of man-hours of idle time booked in each Ordnance Factory during 1953-54?

The Deputy Minister of Defence (Shri Satish Chandra): (a) and (b). A statement is laid on the table of the Lok Sabha. [See Appendix VIII, annexure No. 30.]

SPORTS STADIA AND NATIONAL THEATRES

656. Shri M. R. Krishna: Will the Minister of Education be pleased to state:

(a) the number of sports stadia and national theatres at present in India State-wise; and

(b) the names of the States where such stadia or theatres are not in existence?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) According to the information supplied by State Governments the following States have sports stadia. Only one State has a

State sponsored theatre but it is not a National Theatre:

- | | |
|------------------|--|
| 1. Assam | 1. Sports Stadium at Jorhat. |
| 2. Bihar | 1. There is no National Theatre, but an open air stage has been set up at Patna under the auspices of the Bihar Academy of Dance, Drama & Music with the assistance of the State Government. It is proposed to develop it into an open-air theatre in the near future. |
| 3. Orissa | 1. By private enterprise, a Sports Stadium called 'Bharabati Stadium' is under construction. |
| 4. Madhya Bharat | 1. A race course Stadium at Gwalior is being used these days as Sports Stadium. |
| 5. PEPSU | 1. Yadavindra Sports Stadium at Patiala. |
| 6. Rajasthan | 1. Sports Stadium at Bihar.
2. Sports Stadium at Jodhpur. |
| 7. Mysore | 1. Sports Stadium at Bangalore. |
| 8. Ajmer | 1. Sports Stadium, Mayo College, Ajmer.
2. Sports Stadium Carriage & Wagon Grounds, Ajmer.
3. Sports Stadium, Government College, Ajmer. |
| 9. Bhopal | 1. Sports Stadium at Lal Parade, Bhopal (For Bhopal Police).
2. Sports Stadium at Aish Bagh, Bhopal (For Bhopal Hockey Association).
3. Sports Stadium at Bab-e-Ali, Bhopal. |
| 10. Delhi | 1. National Stadium, New Delhi. |

(b) Andhra, Madhya Pradesh, Punjab, Hyderabad, Travancore-Cochin, Himachal Pradesh, Kutch, Tripura, Vindhya Pradesh and Andaman and Nicobar Islands have no sports stadium or National Theatre.

NOTE: The above reply is based on the information supplied by State Governments. Information has not yet

been received from Bombay, Madras, Uttar Pradesh, Saurashtra, Jammu and Kashmir, Coorg and West Bengal.

According to information available in this Ministry there is in Bombay, Vallabhbai Stadium (Bombay).

AUXILIARY TERRITORIAL FORCE

657. Shri D. C. Sharma: Will the Minister of Defence be pleased to state:

(a) the number and locations of camps set up so far during the year 1954-55 under the new scheme of the Auxiliary Territorial Force;

(b) the number of persons trained in each of them; and

(c) at what other places such camps are proposed to be organised during the remaining part of the year?

The Deputy Minister of Defence **Sardar Majithia**: (a) Three camps have so far been held, one each at Simla, Patiala and Bageshwar.

(b) 424 at Simla, 428 at Patiala and 479 at Bageshwar (in District Almora).

(c) The programme of the Auxiliary Territorial Force camps to be held in the ensuing winter has not yet been finalised.

INDUSTRIAL FINANCE CORPORATION

658. Shri Gadilingana Gowd: Will the Minister of Finance be pleased to refer to the reply of starred question No. 727 asked on the 6th March, 1954 and state:

(a) the number of applications further received since that date by the Industrial Finance Corporation from the industrial concerns of the Andhra State for financial aid:

(b) the amount sanctioned in each case; and

(c) the names of the industrial concerns which have drawn the sanctioned loans?

The Deputy Minister of Finance (**Shri A. C. Guha**): (a) No regular

application has been received by the Corporation since then. One industrial concern however wrote for a loan of Rs. 20 Lakhs and it has been asked by the Corporation to put in a regular application which has not yet been received.

(b) and (c). Do not arise.

ALBERT MUSEUM, LONDON

659. Shri A. M. Thomas: Will the Minister of Education be pleased to state:

(a) whether any request asking for a scheme for alternative accommodation for the Indian Section in the Victoria and Albert Museum, London, has been received by Government from the Director of the Museum;

(b) if so, when was the request received; and

(c) whether Government have taken any steps in the matter?

The Minister of Education and Natural Resources and Scientific Research (**Maulana Azad**): (a) No, Sir.

(b) and (c). Do not arise.

SMUGGLING

660. Shri Rishang Kelshing: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that a large quantity of goods is being smuggled into India through Moreh, outposts in Manipur;

(b) if so, the number of smuggling cases so far detected by the Customs Department at Moreh, Palel and Imphal during 1953-54 and 1954-55; and

(c) the amount realised as fines from the smuggling of goods detected during the years mentioned above?

The Deputy Minister of Finance (**Shri A. C. Guha**): (a) and (b). There is no reason to believe that a large quantity of goods is being smuggled into India through Moreh outpost in Manipur. The number of cases of

smuggling detected by the Land Customs Department at Moreh, Palel and Imphal during 1953-54 and 1954-55 is given below:

Checkpoint	1953-54	1954-55 (Upto August, 1954)
Moreh . . .	11	1
Palel . . .	6	1
Imphal . . .	20	21
	37	23

(c) The amount realised as fines during 1953-54 and 1954-55 on goods seized at Moreh, Palel and Imphal while being smuggled is given below:

1953-54 .	Rs. 379 9 0
1954-55 .	Nil.
(upto August, 54)	

EXPORT AND IMPORT THROUGH MORE

661. **Shri Rishang Keishing:** Will the Minister of Finance be pleased to state:

(a) the quantity of goods exported from and imported to India through More, check post of Manipur in 1954-55 so far;

(b) the amount of export and import duties collected in Manipur during this period; and

(c) the comparative figures of quantity of goods exported and imported through More check post during 1952-53 and 1953-54?

The Deputy Minister of Finance (Shri A. C. Guha): (a) to (c). A statement given the required information is placed on the Table of the Sabha. [See Appendix VIII, annexure No. 31.]

DELHI POLYTECHNIC

662. **Shri V. P. Nayar:** Will the Minister of Education be pleased to state:

(a) the strength sanctioned for each cadre in the staff of the Delhi Polytechnic;

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(b) the number of posts among them declared permanent and the number of those declared temporary;

(c) the number of such sanctioned permanent posts which remained without permanent incumbents as on the 1st July, 1954; and

(d) the number of staff in each cadre of grade remaining temporary for a period of over three, five and ten years?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (d). A statement is laid on the Table of the House. [See Appendix VIII, annexure No. 32.]

सेना की फालतू भूमि की बिन्नी

६६३. श्री भक्त वर्शन : क्या रक्षा

मंत्री यह बताने की कृपा करेंगे कि उत्तर प्रदेश के जिलों में कहाँ कहाँ सेना के १५४ शिविर क्षेत्र (कैम्पिंग ग्राउन्ड्स) हैं जो सेना के पास फालतू पड़े हैं और उनमें से प्रत्येक का क्षेत्रफल कितना है ?

The Deputy Minister of Defence (Sardar Majithia): A statement containing the required information is placed on the Table of the House. [See Appendix VIII, annexure No. 33.]

Ganja

664. **Shri Rishang Keishing:** Will the Minister of Finance be pleased to state:

(a) the quantity of Ganja produced in the years 1952-53 and 1953-54 in the Manipur State;

(b) the quantity of Ganja exported from and consumed in the Manipur State during this period;

(c) the number of permit holders for the export of Ganja during the above period; and

(d) the cases of smuggling of Ganja detected in Manipur in these years?

The Deputy Minister of Finance (Shri A. C. Guha): The available information is given below:

(a) The quantity of *Ganja* produced in the Manipur State through licensed cultivators in the years 1952-53 and 1953-54 was about 30 mds. each year.

(b) (i) About 30 mds. of *Ganja* procured during the year 1953-54 is to be supplied to Assam by Manipur State;

(ii) In 1953, 54 mds. 26 srs. of *Ganja* was consumed in the Manipur State, out of the balance of 93 mds. 20 srs. lying in stock at the end of the year 1952.

(c) The information is not available.

(d)—

		Number of cases detected	Quantity seized
		Mds. Srs. Tls.	
1952 . . .	14	3	18 0
1953 . . .	27	3	34 60
1953-54 . . .	20	4	32 60

Note: Statistics for the calendar years 1952 and 1953 have been given as figures for the financial year 1952-53 are not separately available.

महंगाई भत्ता

६६५. श्री बी० डी० शास्त्री : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या १९५० से पहले सेवा निवृत्त होने वाले व्यक्तियों को महंगाई भत्ता देने सम्बन्धी नियम १९५० के बाद सेवा-निवृत्त होने वालों को महंगाई भत्ता देने सम्बन्धी नियमों से भिन्न हैं ;

(ख) क्या इन नियमों के अधीन १९५० से पहले सेवा निवृत्त होने वालों को, १९५० के बाद सेवा निवृत्त होने वालों की अपेक्षा कम महंगाई भत्ता मिलता है ; और

(ग) यदि हां, तो क्या स अन्तर को दूर करने के लिये जल्दी ही नियमों में संशोधन किया जायेगा ?

The Deputy Minister of Finance (Shri M. C. Shah): (a) The position is as follows:

(i) Those persons who retired from service before the 1st January 1950 obtained the benefit of counting half of the dearness allowance drawn upto the 31st December 1946 as emoluments for purposes of pension. The pensioners in receipt of pension upto Rs. 100 were also eligible for a temporary increase in pension ranging from Rs. 4 to Rs. 6 per mensem with marginal adjustment upto Rs. 106.

(ii) Those who retired on or after the 1st January 1950 but before the 15th July 1952 are only entitled to the temporary increase in pension mentioned at (i) above.

(iii) Those who retired or may retire on or after the 15th July 1952 are eligible to count half of the dearness allowance as emoluments for purposes of pension. They are allowed to draw the temporary increase in pension mentioned at (i) above if it is more advantageous to them than counting half of the dearness allowance.

(b) The concession at (iii) above will be generally higher than those at (i) and (ii) above.

(c) No.

SALE OF CHILDREN

666. **Shri Buchhikotiah:** Will the Minister of Home Affairs be pleased to state:

(a) whether any instances of selling children have been brought to the notice of Government during 1953-54;

(b) if so, the names of the areas where such instances have taken place;

(c) the number of children so sold; and

(d) the reasons generally for such sale?

The Minister of Home Affairs and States (Dr. Katju): (a) to (d). The information is being collected from the States and will be laid on the Table of the House, when received.

M. E. S. CIVILIAN OFFICERS' UNION

667. Shri Siddananjappa: Will the Minister of Defence be pleased to state:

(a) whether the civilian officers of Military Engineering Service have applied to Government for recognition of their Association, known as the Military Engineering Service Civilian Officers Association; and

(b) if so, whether recognition has been accorded?

The Deputy Minister of Defence (Shri Satish Chandra): (a) Yes.

(b) Not yet. The matter is under consideration.

राष्ट्रीय योजना ऋण .

१६८. श्री आर० एस० तिवारी : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) १६ सितम्बर, १९५४ तक राष्ट्रीय योजना ऋण में कितनी राशि प्राप्त हुई है ;

(ख) क्या सरकार इस ऋण में रुपया लगाने की अवधि बढ़ाने का विचार कर रही है ;

(ग) यदि हां, तो किस तिथि तक ;

(घ) इस ऋण द्वारा जितनी राशि प्राप्त करने का लक्ष्य निश्चित किया गया था उतनी प्राप्त हो गई है ; और

(ङ) किस राज्य से इस ऋण में सब से अधिक राशि लगाई गई है और किस राज्य से सबसे कम राशि प्राप्त हुई है ?

The Deputy Minister of Finance (Shri A. C. Guha): (a) About Rs. 150½ crores.

(b) and (c). The loan has already been closed for further subscription on and from 16th September, 1954.

(d) There was no target for the loan.

(e) Till 11th September, 1954, upto which date the State-wise break up of subscriptions is available, the maximum subscription to the loan was tendered in Bombay State and the minimum in Tripura State.

SCHEDULED TRIBES IN MADHYA PRADESH

669. Shri K. C. Sodhia: Will the Minister of Home Affairs be pleased to state:

(a) the total amount of grant sanctioned for Madhya Pradesh during 1953-54 for the settlement of 'Korwas', 'Pandos' and 'Bhuiunhass' in Surguja and Raigarh Districts;

(b) the total number of families to be settled and the average area of land allotted to each family under the scheme; and

(c) the progress so far made in this work?

The Deputy Minister of Home Affairs (Shri Datar): (a) to (c). The information is being collected and will be laid on the Table of the House in due course.

GOLD MINES

670. Shri K. C. Sodhia: Will the Minister of Natural Resources and Scientific Research be pleased to state:

(a) the total quantity of gold obtained from gold mines in India during 1953-54;

(b) the total number of gold mines at work now and their location;

(c) the total amount of royalty received from these mines during 1953-54; and

(d) whether any other kind of tax is levied on such gold?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Figures of production of minerals are collected for calendar years. Total output of gold in India during calendar year 1953 was 221,960.5 Ozs. Information regarding 1954 is not yet due.

(b) Seven: Four mines in the Kolar Goldfield and one in the Tumkur in Mysore State; two in Hutti in Hyderabad State.

(c) and (d). The information is being collected and will be laid on the Table of the House.

INDIAN OLYMPIC ASSOCIATION

671. Shri Bhagwat Jha Azad: Will the Minister of Education be pleased to state:

(a) The total amount sanctioned to the Indian Olympic Association and to the Raj Kumari Amrit Kaur Coaching Scheme in the years 1953-54 and 1954-55:

(b) the purposes for which they were granted; and

(c) the progress made by Raj Kumari Coaching Scheme and the amount spent so far?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) and (b).

	1953-54	1954-55
Indian Olympic Association	Rs. 1,800 (recurring maintenance grant for 1952-53 and 1953-54 at the rate of Rs. 900 per year.)	(i) Rs. 1,78,000 (on-account grant for sending an Indian Contingent to Manila.)

(ii) Rs. 29,000 (on-account grant for sending an Indian Contingent to Vancouver).

National Sports Club of India.	Rs. 75,000 (for employing coaches).	No grant has been paid so far by the Ministry of Education, but Rs. 1 lakh has been paid by the Ministry of Health.
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(c) It is understood that five coaches have been appointed by the National Sports Club of India for giving training in athletics and swimming, cricket, hockey, tennis and table-tennis. It is further understood that out of the grant of Rs. 75,000 paid last year, about Rs. 54,000 was utilised upto the end of the financial year. An up-to-date information regarding the amount spent is not readily available.

ALL-INDIA COUNCIL FOR TECHNICAL EDUCATION

672. Shri Dholakia: Will the Minister of Education be pleased to state:

(a) the composition of the four 'Regional Committees' set up to help the All-India Council for Technical Education;

(b) the names of the zones which have been assigned to each 'Committee';

(c) the number of applications for 'aid' received by each committee during the year 1953-54;

(d) the number among them which were recommended to the 'Council';

(e) the total amount of aid recommended by each Committee; and

(f) the amount ultimately sanctioned and actually granted during the year 1953-54?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (f). A statement giving the required information is laid on the Table of the House. [See Appendix VII, annexure No. 34.]

LABORATORIES FOR 'CHILD STUDY'

673. Shri Dholakia: Will the Minister of Education be pleased to state:

(a) the number of laboratories for 'Child-study' working in the various Part 'C' and 'D' States of India;

(b) whether Government receive reports of work done at these laboratories;

(c) if so, whether Government will place these reports on the Table of the House; and

(d) the steps that have been taken by Government to encourage and aid the opening up of such 'laboratories'?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) Information is not readily available.

(b) No such reports have been received.

(c) Does not arise.

(d) Information is not readily available as to what steps, if any, different Governments have taken.

PAY OF CHOWKIDAR (MANIPUR)

674. Shri Rishang Keishing: Will the Minister of Education be pleased to state:

(a) whether Government are aware of the Notice issued by the Deputy Inspector of Schools, Manipur (Valley) inviting applications for one post of chowkidar in Porompat L.P. School in the pay scale of Rs. 3 fixed without D.A. or allowance;

(b) if so, the reasons for fixing so low a scale of pay; and

(c) the steps that Government have taken to see that the Assam scale of pay is applied to the school chowkidars in Manipur?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (c). No such case has come to the notice of the Government of India, as these matters are entirely within the competence of the State Government.

NATIONAL PLAN LOAN

675. Shri Krishnacharya Joshi: Will the Minister of Finance be pleased to state:

(a) the total amount of subscription for National Plan Loan collected till the 16th September 1954; and

(b) its State-wise break-up?

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The Deputy Minister of Finance (Shri A. C. Guha): (a) About Rs. 150 Crores.

(b) State-wise figures upto the 11th September 1954 are available so far and the amount of subscription tendered in each State upto that date is as follows:

(In thousands of Rupees)

State	Amount
Bombay	105,56.75
Madras	7,21.74
West Bengal	8,33.57
Assam	3.49
Bihar	90.56
Madhya Pradesh	82.41
Andhra	3,93.05
Uttar Pradesh	2,38.16
Mysore	85.04
Saurashtra & Kutch	1,57.29
Punjab	7,45.23
Madhya Bharat	39.11
Travancore-Cochin	70.37
Orissa	30.06
Rajasthan	18.33
Delhi	2,76.92
Ajmer	4.20
Hyderabad	38.69
Bhopal	3.95
PEPSU	78.52
Tripura	2
Vindhya Pradesh	13.32
Himachal Pradesh	3.55
Manipur	22
Coorg	39
Total	144,84.94

2. This does not necessarily represent the amount raised in each State e.g. the figures in Bombay include very substantial institutional investments.

भारत में पढ़ने वाले विदेशी छात्र

६७६. श्री रघुनाथ सिंह : क्या शिक्षा मंत्री यह बताने की कृपा करें कि कितने विदेशी छात्र अध्ययन के लिये भारत में रह रहे हैं ?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): About 1750 as far as Government are aware.

ELECTION TRIBUNALS

677. Mulla Abdullahai: Will the Minister of Law be pleased to state:

(a) the amount of money spent by (i) Central Government and (ii) the State Governments on the Election Tribunals from 1952 onwards; and

(b) the total amount realised so far by (i) the Central Government and (ii) the State Governments on account of the forfeiture of the deposits of the candidates for election during the same period?

The Minister of Law and Minority Affairs (Shri C. C. Biswas): (a) The total expenditure incurred by the Central Government and the State Governments on Election Tribunals upto 31st July, 1954, is Rs. 10,64,847. The information in regard to the amounts spent by the Central Government and State Governments separately is being collected from the audit offices concerned and will be laid on the table of the House when available.

(b) Information is being collected and will be laid on the Table of the House when received.

सिक्कों तथा घड़ियों का चोरी छिपे ले आना

६७८. श्री रघुनाथ सिंह : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि पिछले तीन महीनों में भारत-बर्मा सीमा पर मनीपुर में कितने व्यक्ति सिक्के तथा घड़ियाँ चोरी छिपे लाने पर पकड़े गये ?

The Deputy Minister of Finance (Shri A. C. Guha): No persons were arrested during June, July and August, 1954 by the Land Customs Staff at Manipur on the Indo-Burma border for smuggling coins and watches.

विश्वकोष

६७९. श्री भागवत झा आजाद : क्या शिक्षा मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या नागरी प्रचारिणी सभा, बनारस, शिक्षा मंत्रालय के कहने पर एक विश्वकोष बना रही है ;

(ख) यदि हां, तो इस पर कितना खर्च होगा ; और

(ग) सरकार इस व्यय का कितना भाग देगी ?

The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): (a) to (c). The matter is under consideration.

Vol. VII—No. 25
23rd September, 1954 (Thursday)

LOK SABHA DEBATES

(Part II—Proceedings other than Questions and Answers)



(Vol. VII contains Nos. 16—31)

LOK SABHA SECRETARIAT
NEW DELHI

SIX ANNAS (INLAND)

TWO SHILLINGS (FOREIGN)

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Dated..... 27.11.2011

2873

2874

LOK SABHA

Thursday, 23rd September, 1954

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

12 NOON

PAPER LAID ON THE TABLE

EVIDENCE TENDERED BEFORE SELECT COMMITTEE ON COFFEE MARKET EXPANSION (AMENDMENT) BILL

Shri Venkataraman (Tanjore): I beg to lay on the Table a copy of the evidence tendered before the Select Committee on the Coffee Market Expansion (Amendment) Bill, 1954 on the 28th July, 1954.

MESSAGES FROM THE RAJYA SABHA

Secretary: Sir, I have to report the following two messages received from the Secretary of the Rajya Sabha:

(i) "In accordance with the provisions of sub-rule (6) of rule 162 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to return herewith the Indian Income-tax (Amendment) Bill, 1954, which was passed by the Lok Sabha at its sitting held on the 18th September, 1954, and transmitted to the Rajya Sabha for its
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recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

(ii) "In accordance with the provisions of rule 97 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Manipur State Hill Peoples (Administration) Regulation (Amendment) Bill, 1954, which has been passed as amended by the Rajya Sabha at its sitting held on the 21st September, 1954."

MANIPUR STATE HILL PEOPLES (ADMINISTRATION) REGULATION (AMENDMENT) BILL

Secretary: Sir, I lay the Manipur State Hill Peoples (Administration) Regulation (Amendment) Bill, 1954, as passed by the Rajya Sabha, on the Table of the House.

CONSTITUTION (THIRD AMENDMENT) BILL—concl'd.

Mr. Speaker: The House will now proceed with the further consideration of the following motion moved by Shri T. T. Krishnamachari on the 22nd September, 1954, namely:—

"That the Bill further to amend the Constitution of India, as reported by the Joint Committee, be taken into consideration."

The House knows that in all six hours were allotted for this, out of which two hours and forty-three

[Mr. Speaker.]

minutes have already been availed of yesterday. So we have an allotment of three hours and seventeen minutes. This will mean that the discussion on the Bill, for all stages, will conclude by about 3-20 P.M.

Now, before we proceed further, hon. Members know that it has been the practice in a Bill of this type to have the votes recorded on each proposition put to the House for voting. So, there will be at least three divisions: one on the consideration motion, another on the clause by clause stage motion, and the third on the third reading motion. Though there is more than one clause, practically the matter is one and I propose to put before the House all the clauses, the Enacting Formula and the Title at the same time, so that we shall be saving time on divisions. That will be the second division. And the third division will be on the third reading motion. On an average we take about twenty minutes for a division, which means that out of the allotment, one hour (that is to say, twenty minutes multiplied by three, namely sixty minutes) will be taken in the divisions.

As I said, in all we have time up to 3-20. So what I propose to do is this, that we shall carry on the two stages, have the division at a convenient time in-between.

Now, we have to decide when we should close the consideration motion. How long shall we go on with this consideration motion? That is the proposition.

Practically, the clauses and consideration cover the same ground. So, if we go on with the consideration motion, say, till about—that will be a difficulty again about the Lunch Hour—2-30. The point is....

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): May I make a submission? Since you have said that the three divisions will

take one hour to dispose of, at the rate of twenty minutes for each.

There are amendments. They might be discussed, not at length, but might be moved, or somebody might like to say something for a few minutes. If you allot one hour and twenty minutes for the discussion and amendments, and take it at 2-30 it will go on till about 3-50. We can stop the discussion at 2 o'clock, take up the next Bill, and again start the voting on this from 2-30 and go up to 3-50. That is my suggestion.

Mr. Speaker: Let me be clear about it. We go on up to 2 o'clock, and then we take the clauses?

Shri T. T. Krishnamachari: After half an hour, because it is the injunction of the Chair that there should be no voting between 1 and 2-30.

Mr. Speaker: I am not clear on this point. Can we take the clause by clause consideration without a vote on the consideration motion?

Several Hon. Members: No.

Mr. Speaker: If that cannot be done, then of course the time has to be adjusted some time beyond 2-30 for this Bill. In between the other Bill might come for discussion.

Shri T. T. Krishnamachari: That is my suggestion.

Mr. Speaker: That means this discussion will go on till 1 o'clock.

Shri T. T. Krishnamachari: Till 2 o'clock.

Mr. Speaker: The usual time for lunch will be between 1 and 2-30. So at 1 o'clock, if the discussion continues further, then the matter has to be postponed for voting. And after voting on the consideration stage we shall have to take up the discussion on the clause by clause reading, however small it may be.

I was therefore thinking; let us fix up the time of the consideration

motion first. Then we shall stop at that stage, have another Bill, because the voting cannot take place between 1 and 2-30. So the other Bill might intervene, and at 2-30 we have voting on the consideration motion. And then we shall take the clause by clause motions later on.

Shri T. T. Krishnamachari: Then the voting list and the consideration clause by clause will be not one hour and twenty minutes but two hours and twenty minutes.

Mr. Speaker: Yes. How do we adjust the time now?

The Minister of Parliamentary

When will the voting on the third reading take place? If you intervene another Bill, then it cannot be at 3-20.

Mr. Speaker: My point is this. If we once decide what time we propose to take now at this stage, then it will be possible for us to decide when the voting might take place.

Shri T. T. Krishnamachari: May I make myself clear? My suggestion is that the general discussion should be over by 2 o'clock, including the reply by the mover. Then we might adjourn it for half an hour and take the other Bill. At 2-30 we can commence voting and finish voting by 3-50.

Mr. Speaker: That means the general discussion will take place for two hours from now, approximately?

Shri T. T. Krishnamachari: Yes.

Mr. Speaker: Is the House agreeable to that?

Some Hon. Members: Yes.

Mr. Speaker: So that, for the clause by clause stage and the third reading stage the matter will have to be put through in a very few minutes' time. There will be practically no time for it, because one hour will be taken in the divisions. Let the House be clear.

Shri Syamnandan Sahaya (Muzaflarpur Central): Only twenty minutes.

Mr. Speaker: Out of three hours and seventeen minutes in which we must finish this business, one hour will go for the divisions. That leaves two hours and seventeen minutes, and if we take two hours for the discussion at the consideration stage, the remaining stages have to be completed within seventeen minutes.

An Hon. Member: That cannot be.

Mr. Speaker: Is the House clear on that point?

Shri Raghavachari (Penukonda): For the clause by clause consideration and the third reading you may be pleased to allot half an hour for each of those stages, and then adjust the time. Otherwise there will be nothing left and we will simply have to watch the spectacle 'that the machine is moving'.

Mr. Speaker: If we have half an hour for the clause by clause reading and half an hour for the third reading, that means one hour, plus one hour for the divisions, that makes up two hours. Then we have about an hour and seventeen minutes for the present discussion stage. That completes the whole thing. So the present discussion goes up for one hour and seventeen minutes; that means, roughly speaking up till about 1-30.

At 1-30 we adjourn this Bill, take up another matter, and at 2-30 we have the voting on this, and then continue.

Shri Satya Narayan Sinha: The final voting will be at 4-20 P.M.

Mr. Speaker: Not necessarily. It will be postponed to some extent. The first stage voting will take place at 2-30. It will take about twenty minutes, or roughly half an hour for the

[Mr. Speaker.]

purpose of rough calculation. It takes us to three o'clock. Then one hour more. Some minutes this side or to that side of four o'clock. Then the final voting. That is the timing.

Shri Satya Narayan Sinha: It will be between 4 and 4-30.

Mr. Speaker: Yes. In between will come voting on the clauses.

Shri Satya Narayan Sinha: The first voting commences at 2-30 and not before.

Mr. Speaker: At 2-30 the voting commences.

We will now proceed up to 1-30 at which hour, the consideration stage will be finished. **Shri V. B. Gandhi.**

Shri V. B. Gandhi (Bombay City—North): As I was saying yesterday, in the report of the Joint Committee that is before us, there is general agreement on the central objective of the Bill.

[MR. DEPUTY-SPEAKER in the Chair]

By general agreement, I mean....

Mr. Deputy-Speaker: The hon. Member will kindly resume his seat now. He may resume his speech after some time. I think hereafter, it has to be provided by the rules for an interval after the Question Hour and before regular work begins—five or ten minutes for hon. Members who wish to do so to go out of the House. They do not go in an orderly manner without making noise. They won't allow any work to go on. We are spending five minutes after the Question Hour unnecessarily without doing any work. It is a novel practice. I have been requesting hon. Members that if they do not want to sit, they may, without noise, gently move away.

The hon. Member may kindly resume his speech.

Shri V. B. Gandhi: As I was saying yesterday, in the report of the Joint

Committee that is before us, there is general agreement on the central objective of the Bill. By general agreement, I mean an agreement both of the majority report as well as of those who have submitted the minute of dissent. The central object of this Bill is that the Central Government should be enabled to continue to have the powers to legislate in respect of certain essential commodities, a power which it has at present under article 369, which lapses on the 25th January 1955. The signatories to the minute of dissent would give this power to the Central Government, but would give it in a different form and for a shorter period. They would give this power by continuing the article 369 for another period of five years. For suggesting this different form in which the power could be given and a shorter period for which this power could be given, their reason is that, according to them, the present Bill would constitute an encroachment on the rights and powers of the States. But, we have seen yesterday that we would do well to leave this question of the encroachment on the powers and rights of the States to be decided by the States themselves. For, after all, this Bill will, in the ultimate analysis, be considered by the legislatures of each one of these States in Parts A and B of the First Schedule. Every State will have an opportunity to express its opinion on this Bill, since a ratification by not less than half the number of the States is required for this amendment to be valid. We have also seen that in the extension of the Concurrent List, as would be the result of passing this Bill, there is no violation of the federal principle involved. The power, such as would be exercised by the Central Government would be what is called 'potential' power and the 'real' power, in the last analysis, would rest with the States.

Something has been said about treating our Constitution as a sacred

document, and also about not rushing to amend it too frequently. Some have said that we are trying to amend this Constitution rather light-heartedly. We all know that the present Bill.....

Mr. Deputy-Speaker: The hon. Member wanted only four minutes yesterday. He took a lot of time the other day. I find a number of hon. Members anxious to speak. Therefore, the hon. Member must conclude now.

Shri V. B. Gandhi: I shall try to finish.

Mr. Deputy-Speaker: There is no question of trying to finish. He must finish.

Shri V. B. Gandhi: May I have four minutes?

Mr. Deputy-Speaker: I won't give four minutes. He only wanted four minutes the other day. I have given him already five minutes.

Shri V. B. Gandhi: May I have two minutes, Sir? The example of the American Constitution and the amendments to that Constitution is very often quoted in this House. We are told that in all the 164 years of the American Constitution, there have been only 22 amendments to that Constitution. The question is a legitimate one. Are we going too fast in the way of amending our Constitution? Here, I may point out that the first ten amendments to the American Constitution were adopted in the year 1791, that is, just about four years after its original adoption. This is to be expected. For, after all, when a new Constitution comes into operation its shortcomings and certain difficulties in its working come to light only in the first few years. It is therefore only to be expected that more frequent occasions for amendment should occur in the first few years of a new Constitution. On that account, therefore, I see no reason for this House to be alarmed.

Mr. Deputy-Speaker: Shri Tripathi—I am sorry, Shri Trivedi. Both names mean the same thing.

Shri U. M. Trivedi (Chittor): Of the total strength of this House, one-fifth sit in the opposition. By some method or other, exactly one-fifth of the total Members sitting in the Select Committee have dissented from this report of the Select Committee.

I for one, stand for a unitary form of Government in India. I do not appreciate the idea of opposing this Bill. I welcome this measure; only I consider it a half-hearted measure. Unfortunately, we have been talking a good deal about the wisdom of the Constitution-makers. I do not know what wisdom was. That wisdom which we see was merely the aping of the Government of India Act, 1935.

Those who made the Act of 1935 may have used their intelligence, no doubt; but the others who made this Constitution had a good deal of material before them.

The pattern which was given to us by the 1935 Act of the Government of India was the federal form of government with a strong centre, and we followed in the footsteps of that Act. There is nothing very charming about the federal form of government. On the contrary, the working of the controls all over by the various States—be they, as some of those in A States call themselves, advanced States and those who live in the B States call themselves backward, whatever they may be.....

Mr. Deputy-Speaker: They do not call themselves backward. Others call them backward.

Shri U. M. Trivedi: Yes, Sir. Others call them backward. Because it has been noticed that even in Bombay which always claims itself to be a very progressive State, the inequality which was heaped by the Bombay

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State upon those who were unfortunately enough to merge into that territory was so great that everyone cursed the administration of the controls and wanted to get rid of the State which was so governing it.

Shri V. B. Gandhi: Question.

Shri U. M. Trivedi: The very name of the Congress became anathema in the villages. People were frightened out of their wits and the villagers were the worst sufferers. Even today the same condition obtains.

It has been said in the preamble to our Constitution that we want to secure to all our citizens justice—social, economic and political. What is this economic justice that we are going to get if we do not have a control over the primary necessities of life? Unless the Centre has got complete control over the primary necessities of life and which are those very things which have been provided for in the Constitution, we cannot have any economic justice.

Similarly, what equality are we going to get? Yesterday we noticed, and I was one of the observers of this whole game. In Rajasthan ten thousand bags of rice were lying at Udaigarh station, four miles away from which was Bombay State territory. The people in Bombay were clamouring for rice. Not one bag of that rice could go into the Bombay State, and for eleven months practically, some officer was manoeuvring to keep the bags lying at Udaigarh, till the Government of India stepped in. In those days the powers were there. I approached the then Food Minister, Mr. Munshi, personally and he was good enough to arrange for the movement of that rice—at least, if not to the Bombay the goods were shifted from Udaigarh to Udaipur, for nine months to lie there without the prices being fixed. It is these things which stare us in the face, which face us, and we have to face these facts before we can let our sentiments come into play.

What have these States done? Some of them have been most inefficient. Brokers walking in the streets have stepped into the ministerial benches. They do not know how to carry on business. They have never done any business.

Shri Dhulekar (Jhansi Dist.—South): On a point of order, Sir. Is this word "broker" parliamentary? He said brokers walking in the streets have occupied the seats of Ministers.

Mr. Deputy-Speaker: Anybody can stand for any seat and become any high dignitary. Therefore, the business of a broker is also not an immoral traffic.

Shri U. M. Trivedi: I am sorry. I did not want to offend anybody. It is the usual word "broker". I did not mean anything like tout or anything of the kind. Don't misinterpret things.

Shri Dhulekar: You have now interpreted it.

Mr. Deputy-Speaker: It is a dignified profession.

Shri U. M. Trivedi: It is very dignified. Some people are very rich.

The Minister of Food and Agriculture (Shri Kidwai): But mentioned in an undignified way.

Shri U. M. Trivedi: As I was mentioning, so far as these powers are concerned, I say we have been rather half-hearted. My own suggestion would be to take out this power entirely from the second list and put it only in the first list, not to keep it in the Concurrent List even, because there would be clashes.

I remember even in those days when there were small native States existing, false reports were given to the Government of India that they had got no stocks. This habit persisted with those who stepped into the shoes of those administrators of the native States in Rajasthan and

Madhya Bharat. The Food Minister is sitting just opposite to me, and he will also be surprised to know that even from Rajasthan and Madhya Bharat false reports were given to the Centre that they had no stocks.

Pandit Thakur Das Bhargava (Gurgaon): Similar reports came from other States in India also.

Shri U. M. Trivedi: I do not know. I know only these two States where I live and practice. I have seen with my own eyes that thousands and thousands of bags of wheat were allowed to rot, and the Government of India was informed that they had no stocks.

Pandit Thakur Das Bhargava: Perfectly right.

Shri U. M. Trivedi: I say we are thankful to the Centre that people did not starve. This must be honestly admitted that but for the Centre we would have starved in many places. This is my reason.

Some people may not like it on sentimental grounds because we have developed a pattern, we have the desire of having autonomous power. It is true that today a particular party being in power, and in very great power, is able to get this acquiescence from all the States. We do not know if a time may come when a similar situation may not exist, and the amendment of the Constitution may become a very difficult thing. I say it is a very wise step that at this stage, and at this present strength of power that the Congress possesses, to make this very salutary amendment of this Constitution in the interests of the country. We should not be led away by this desire that the States must not be deprived of power.

One of the sentences that is there in this note of dissent is this:

"The assumption of such wide powers by the Centre will cripple the initiative of the States."

It is a good platitude, I should say, but it does not carry conviction. How is it that the initiative of the States is going to be crippled by taking away only this power, and that too a merely concurrent power? If they are wise people, they will make their laws in such a manner that there would be no occasion for the Centre to step in to their shoes, and allow them to carry on their work. But, here what we see and what we have experienced is this, that the States vie with each other in making use of their own powers without caring what will be the ultimate result, and that is true. Some of the States have suggested and may oppose it. It is possible. That always happens wherever vested interests are created. And take even a State like Ajmer—is it worth being called a State? Not even a district.

Pandit Thakur Das Bhargava: Two districts.

Shri U. M. Trivedi: Not even one district, although they may divide it into two districts. It has not got the population of a single district of the rest of India.

Mr. Deputy-Speaker: What is its population?

Shri U. M. Trivedi: Its population is hardly three lakhs in all. Even these people have started clamouring. do not take away our autonomy, do not merge our area into Rajasthan, because we have got four Ministers whom we can give salaries, and we can enjoy all the things that every Minister in any other State can enjoy. Similarly, Bhopal has got vested interest. So, wherever there are vested interests created, be it a small State or a big State, the people who have vested interests, and who do not want their powers to go, have opposed these powers being given to the Centre.

Hundreds of stories can pour in from the villages, if you can go there and listen to them. I myself sometimes feel that we city-dwellers are mostly responsible for all the wrong that we

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are doing upon India. We do not consult the villagers at all. We consider our own ideas, we develop our own ideas, we live upon our ideas, we read particular books, and we are led away by those particular ideas, and then we jump and put down our ideas down the throat of the poor villagers without giving a moment's thought to what those villagers think.

This is what has happened in regard to the levies that have been taken from these villagers. In many places in Jaipur and in many places in Udaipur, big amounts of rice were taken and extorted from villagers, for protecting them from this levy. It is these abuses of power which must put us on our guard on whatever little power we may have to give in future on account of these controls—God forbid that we may ever have an opportunity of imposing these controls; I do not like them, I hate them, the whole country has degraded itself on account of these controls, and therefore, they must not remain on the statute-book. But opportunity may arise, exigencies may arise when we may have these controls. Then, I would submit that the Union should make full use of its powers and not allow any of these States to exercise the powers which may be vested in them by virtue of any of the provisions that are there.

With these words, I wholeheartedly support this Bill.

Shri Matthen (Thiruvellah): I have listened to some eloquent speeches on the Opposition, opposing this Bill. I am not attempting to answer them, as they were answered very effectively by several Members,—and especially by my hon. friend Shri C. C. Shah,—who have very objectively considered them, and boiled it down to this, namely that this amendment is only an extension of the principle approved by this House under the Industries (Development and Regulation) Act. It is now extended to four more items,

which, in fact, are comparatively less important than the items already approved.

There was nothing outrageously undemocratic about it as was observed by my hon. friends Dr. Krishnaswami and Shri Asoka Mehta, nor any serious encroachment or erosion on the powers of the States. Of course, one can understand Opposition exaggerating their objections. But to say, as my hon. friend Dr. Krishnaswami has said, that the States will have nothing left to attend to except treasures and cattle pounds is an atrocious exaggeration without an atom of truth.

Before criticising this minor amendment in the Constitution, I will invite my friends in the Opposition to review the history and trend of older federal governments in countries like the U.S.A., Australia and Canada. I admit that I am not a tried politician as some Members opposite or several on this side, but it gives me added advantage that I can, in controversial matters like this, more objectively consider the subject. When the Constitution of U.S.A. or Canada was framed, a deliberate attempt was made to minimise the powers of the Centre, with a view to maintain the autonomy of the component States. The rivalry among the States, and the suspicion there were so intense, but in spite of it, the tendency has been to strengthen and widen the powers of the Centre. The world has been moving so fast, and conflicts with the other sovereign states have been so frequent and so important, that the Union had to take more powers, or in the words of my friends on the Opposition, the erosion and encroachment on the powers of the States was so marked knowingly or unknowingly, that it is correct to say that the tendency has been more towards a unitary state than a federal state. That is the point I want to stress.

You might have read in today's papers about—the controversy between Ottawa the Centre and the

Province of Quebec, where the Canadian Prime Minister, St. Laurent, a man respected practically all over the world, has said that under no circumstances will he allow the interests of one Province to get over the interests of the nation.

I yield to none, even to my hon. friend Shri Asoka Mehta, in my respect to the founding fathers of our Constitution. Even though our Constitution was federal like those of U.S.A., Canada and Australia, still, it had a definite bias towards a unitary state, as evidenced by the long Concurrent List. In this aspect, our Constitution was unlike the federal Constitution of U.S.A., Canada or Australia. Let us not forget this important factor of that bias of our Constitution as against the bias of the Constitutions of the other older federal governments. Added to this, there is the universal trend to liberalise and strengthen the powers of the Centre. Over and above this, there is the effect of world movement. The world is becoming smaller and smaller day by day, and the march of events faster and faster during the last five or six years. Even the background of our Constitution is vast changing. I would not be surprised nor will I be sorry if more amendments to our Constitution are found desirable in the next two years.

I find that people have started talking of a world government. Whether this is within practical politics or not, I have no doubt that this movement will have a great momentum, if the tension between the East and the West can be ironed out or considerably reduced. Even communist governments have started talking more realistically and showing a co-operative attitude, of late. With the foreign policy now vigorously pursued by our Prime Minister, with the co-operation of most of the Colombo Powers, I am sure the area of peace will be considerably widened, and international tension substantially

reduced. In the progress of this aspiration, I would not be sorry if some encroachments on our sovereign rights are necessarily caused.

In the present trend of events all over the world, do you think that it is undemocratic to make a minor change in our Constitution? And what if some desirable erosion in the powers of the constituent States takes place in the interests of the nation?

Take, for instance, the Delhi State, which I would like to call the show-room of the Union of India. The recent scramble among the leading politicians of this small State is not enhancing the prestige or the reputation of the Union of India to put it very mildly. I certainly wish on my own—and I believe I am in good company—if a substantial erosion in the power of this State takes place, and that too very soon.

With these few words, I wholeheartedly support the Bill.

Shri Venkataraman (Tanjore): It used to be the pet subject for disquisition among pedagogues and political scientists as to what should be the proper distribution of powers between the Centre and the States in a federal Constitution, where the residuary powers should stay and what should be the procedure followed in emergencies. Throughout all these discussions, I am sure nobody has been able to arrive at the correct solution for all countries and for all times. With the background of the principles, each country chooses a system that will be suitable to it in accordance with the political and economic development of that country. So to attack the amendment of the Constitution, as my friend, Mr. Asoka Mehta has done, quoting Todequville on this occasion, is like indulging in polemics and nothing more.

Shri S. V. Ramaswamy (Salem): Todequville had written in 1835.

Shri Asoka Mehta (Bhandara): The Bible was written long before that.

Shri Venkatarangam: Let us face this question in this way. Is it not necessary in the present context of our economic and social life that certain powers should be assumed by the Centre? On that, there are no two opinions; not even the dissentient note says that it is not necessary for the country to assume powers which the Centre has now assumed. In respect of cotton textiles, it has been found that cotton is grown in one area and the mills are in different areas. So control over transport, distribution and prices is necessary. In respect of raw jute, it has been found that unless the Centre controlled both distribution and transport, it is very difficult to feed our mills. In respect of food, we have found that so far as certain areas are concerned, there is plenty and in other areas there is scarcity, certain areas are afflicted by floods, and certain areas are afflicted by drought. Therefore, a certain amount of control over the distribution of foodstuffs is absolutely necessary. Each one of the items over which the Centre now seeks to assume power is one over which the Centre should have the power at the present moment.

Now, the question is, what is the way of securing that control? There are two or three ways under which it can be done in the Constitution. Under article 249, if the Council of States passes a resolution by a two-thirds majority, then the Centre can legislate in respect of items in List II. This is a cumbersome way of passing legislation only for one year. Are we all satisfied that this is a procedure that can be followed in the present set-up? Is it possible that we can solve all our difficulties, particularly our economic and social difficulties in the course of one year? Is it at all necessary that every year we should go about asking the Council of States to pass a resolution? It looks to me that article 249 will not serve

the purpose, and therefore, we have to look somewhere else, in the Constitution to provide the power for the Centre. The next course is that we invoke article 369. So far as article 369, on which the Opposition has relied, is concerned, it is my view, subject to correction—it may not be right but every one is entitled to express his view—that it cannot be amended. It is a transitory and transitional provision intended to cover a short period, and it is intended that it should cover a period of five years. The article works itself out at the end of five years. If you seek to amend that article, you will have to say right from the date of the commencement of the Constitution for a period of ten years the Centre will have the power. That means, it will cover the very period of five years already covered by the article 369, and if the Government probably do come forward with an amendment of that article, I would not be surprised if the Opposition say, 'This is a transitory article. You should have come by a different article altogether. This won't serve your purpose'. Why should we, when we amend the Constitution taking all this trouble of having a special majority, do something which is likely or liable to be questioned by a court, the validity of which is doubtful? I submit the validity of amending article 369 is doubtful because of the very nature of the article. Let us take every one of the tests which will be applied by the court. All the articles are concluded. Then definitions are given. Thereafter, we have the transitory provisions mentioned. Can we now amend the transitory provision to say that it will apply for a period of ten years or fifteen years? Now, any court might take the view—I do not say that it will take the view—that an amendment of that kind is not contemplated.

Now, let alone the technicality. Let us apply the practical test. The framers of the Constitution did not intend that article 369 should be

amended. If they had intended that it should be amended, it would have been open to them to put in a clause in that very article in which they could say that it was open to the Parliament by law or by special law or by any amendment to extend the time for a further period of five years or ten years. The very fact that they merely stated that it would operate only for a period of five years exclude the very possibility of the concept of amending article 369.

The next course open is to amend List III. Now, these are articles brought under the Concurrent List. It is said that permanently they are being removed from the powers of the States and that the Centre is assuming responsibility, depriving the States of the power to legislate over these articles. May I invite the attention of the House to article 254? It is not as if the States are deprived of the power to legislate on any one of the items mentioned in List III. On the other hand, the States will continue to legislate in respect of them only to this extent that in case of repugnancy between the Central and State laws, the Central law will prevail and to that extent, the State law will be void. It is not as if the powers in respect of each one of them is totally excluded and taken away from the purview of the State and granted to the Centre. In respect of the articles, the State is still competent to legislate in respect of matters which are not occupied by the Centre. Therefore, it appears that that is the only way that is possible. Unless we go to the whole extent of saying that it is not necessary for the Centre to assume responsibility for the control, distribution and supply of the articles mentioned in this Bill, we will necessarily be driven only to one position, namely, to amend List III and nothing else. There is no other provision, and resort to any other provision may land us in technical and legal difficulties. I support this Bill.

Shri T. K. Chaudhuri (Berhampore): I have no intention to enter

into the arena of constitutional pedantry in connection with this Bill. There has been ample discussion when the Bill was discussed—whether our Constitution is a unitary type of Federation or a federal type of unitary Constitution. Much has been said also about the intention of the Constitution-makers. I for one do not consider the intentions of the Constitution-makers as sacrosanct for all time. I for one stand for a thorough change of this Constitution. So I cannot blame the Government for having come forward with a Bill to amend this Constitution. But I oppose this Bill on what I think more fundamental grounds than those the authors of the minute of dissent have thought fit to adduce.

It seems to me that this Bill fits into a set pattern of reactionary tendency which is gradually overtaking our Government and our Constitutional system. There is a gradual tendency of over-centralisation of powers in the hands of the Central Government at the expense not only of the Constituent units but also of the subjects. We already know that measures are in the offing for further changes in the Constitution, but because they affect vested interests, because they affect interests on the support of which this Government stands or falls, Government are proceeding—at least the ruling party is proceeding—warily and with a good deal of caution in respect of those intended changes.

It is not as if this is a very minor change. All the supporters of the Bill, except, of course, those people at whose suggestion this Bill was brought forward, have said that this is a very minor change; already those powers were there but, somehow or other, the Constitution comes in the way. So, it is only a sort of a technical change or technical alteration and that can be done very easily.

We have seen that, during the last one decade, all these powers were, under law, in the hands of the Centre..

[Shri T. K. Chaudhuri.]

Although our friend Mr. U. M. Trivedi has drawn entirely different conclusions, the facts which he adduced amply prove that when these powers are concentrated in the hands of the Central Government, they immediately lead to complacency in the mind of the Central Government and they abuse those powers. Initiative is killed and the States are not allowed to grow in their own way. That is why it is very necessary that these powers should remain in the hands of the States. I for one, am also very much unwilling to invest the Central Government, which, practically, means the administration of New Delhi, the officialdom of New Delhi, with these powers over essential commodities like food and other things mentioned in the Bill.

Much has been said, Sir, from the other side, that the people who suggested this particular amendment of the Constitution, the members of the Commodity Controls Committee, were people who were capable of taking an objective view of things in these matters. As the hon. Commerce Minister said, they were people not influenced by any political bias, but they were people who knew. I do not propose to enter into a discourse on knowing and doing and how our knowledge and our conclusions are influenced by the purpose that we have in view. But, it so happens that three of the gentlemen who were on this Committee and who suggested this amendment of the Constitution have been, in one way or other, concerned with the administration and control of essential commodities from the British days, they have been officers of the heaven-born I.C.S. That being so, they have grown used to using these powers and they do not take into consideration the particular precincts into which they were entering. They cavalierly made the suggestion that the need for such a permanent, comprehensive law of control in respect of all commodities was urgent and pressing, that the Committee, after carefully considering all its pros

and cons unhesitatingly made the recommendation that the Constitution should be suitably amended to confer on Parliament the necessary legislative power. It is imperative that controls of essential commodities should be regulated on an all India basis.

This is the view which we can expect from people who are used, sitting in office, to issue all sorts of flats and we have known how this has created havoc in all parts of the country during the past one decade. I do not understand why we had such a hush hush sort of affair about criticising the views of the permanent administration. I do not criticise their views as individuals. As individuals, they may be very good men, very honourable men, but, they are the men who really administered the country, in whose hands all powers were concentrated. Even without this change in the Constitution, so much power has been concentrated in the hands of the Central Government that I might say there are so many powers, so many strings and so many tools in the hands of the Central Government that provincial autonomy is already reduced to a nullity.

Without mentioning names, I may cite one example. Recently a certain State wanted to develop a certain industrial region of that State. They, of course, expected financial help from the Centre, but financial help was not very much essential. The Centre did not want to let that State proceed with that particular scheme and there are, in the hands of the Central Government, today ways by which they can thwart any scheme or any plan of the State governments.

Much has been said about the Concurrent List. It has been said, what is the objection if we transfer to the Concurrent List, where the States will also have the power to legislate, essential commodities like food, cattle fodder, jute and cotton. But, already in the third list of the Seventh Schedule, in item 20, we have economic and social planning, where both the

Centre and the States can legislate. We have commercial and industrial monopolies and composition of trusts etc., mentioned where both the authorities can legislate. There is also price control. So, there is no lack of powers in the hands of the Centre. I particularly urge the gentlemen sitting opposite to consider how they have proceeded, how the party in power has proceeded in this matter.

We all know that a change in the Constitution is being talked about for some time past. With regard to article 226—which is very important for the liberty of the subject—it has come under fire and there has been a talk of amending that particular article. With regard to the fundamental rights, article 31 and compensation and all those things, these have been under fire and already proposals have been made. If my information is correct, I think, an officer of the Law Ministry has been appointed to draft Constitution (Amendment) Bill on comprehensive lines. Before that step was taken, views were elicited from every State Government. Every State was asked to make suggestions, particularly, with regard to those articles of the Constitution in respect of which they feel that amendment is necessary. May I ask the hon. Commerce Minister, may I ask the other members of the Government, whether any of the States, from which views were called for, had suggested this particular amendment of the Constitution which we have been asked to consider and approve? I understand every State had sent comprehensive views and their suggestions with regard to particular items, particular articles of the Constitution with regard to which they thought amendments are necessary. Has anyone of them suggested that this particular amendment was called for? If that was not so, it is not yet too late to reconsider the decision. Of course, I do not hope to convince the Government by these arguments. So, I express my total, unqualified, unconditional opposition to this Bill, and with these words I resume my seat.

1 P.M.

Shri Tek Chand (Ambala-Simla): Sir, I very carefully pondered over the ponderous but, nonetheless imponderable, arguments advanced by those who criticised this Bill. Behind a barrage of words they endeavoured to stifle logic, cogency and relevancy (Dr. Krishnaswami: *Hear, hear.*) The author of the 'Hear, Hear' in his note of dissent used the expression 'the States powers would be progressively pulverised.' In all humility, I ask him: what does he mean by it? 'progressive pulverisation' as far as I am able to understand, it means that the States' power is going to be reduced to a powder; reduced to dust. It is an extravagant language. Use of superlatives and vituperatives is understandable and it becomes difficult to appreciate it in this context. They are no substitutes for logic. Another hon. Member said: 'you are not supplementing, but supplanting the powers of States'. If he can only refresh his knowledge of our Constitution, he will find that there are three lists and these items are placed in the third list—the Concurrent List—and are not being taken from list No. 2 to list No. 1 which is the Union List. This expression would have some meaning if the powers of the States have been taken away from list No. 2 and put into list No. 1. The charges of usurpation, when on the face of it the powers are in the nature of being co-sharers, have no place. Again, another hon. Member said: 'it is abrogation of powers; it is erosion of States powers'. They are excellent specimen of extravagant language, but not very enlightening samples of what ought to have been contributed on a debate of this seriousness and importance.

I submit, Sir, that the best refutation of the note of dissent and of all the observations of my hon. friend Dr. Krishnaswami is to be found by a reference to the experience of United States of America. United States of America started by conferring enumerated powers only upon the Federal Congress, and the enumerated

[Shri Tek Chand.]

powers, unlike our Constitution, comprised over a field of four items only, namely, war, armies, coining of money and foreign commerce. The second important feature of the American Constitution is that the residual powers vest in the States. The third peculiarity of that Constitution was that, unlike our Constitution, there was no Concurrent List at all. Therefore, the dice was loaded against the Centre in America and in favour of the States. What happened during this passage of time is very interesting. As a result of the resort to doctrine of 'implied powers' and having regard to the national exigencies, the entire process has been reversed. An hon. Member yesterday cited to us a statement of Todequeville and observations made in 1835. This fact was not told to us that these observations had been made 12 decades ago, wherein he said: Government by the Centre was the exception, while Government by the States was the rule. I wish he had also gone further through succeeding decades, at least up to 1944 when the entire process was reversed by the Supreme Court of America and these are the observations which counter directly what was stated by Todequeville. These observations were made by the Supreme Court of that country in 1944. You say it was the case of commerce power being given to the Centre; that is, the Congress. They say:

"The power granted to the Congress is a positive power. It is the power to legislate concerning transactions which, reaching across State boundaries, affect the people of more States than one; to govern affairs which the individual States, with their limited territorial jurisdictions, are not fully capable of governing. This federal power to determine the rules of intercourse across State lines was essential to weld a loose Confederacy into a single, indivisible Nation; its continued existence is equally essential to the welfare of the Nation."

These are the observations from a reported decision of the Supreme Court of United States of America, in the case *United States versus S.E. Underwriters' Association* reported in 322 U.S. 533. Then later on, the same Supreme Court observed:

"Whatever may have been the reasoning by which one particular Bench of Judges nullified the decision of successive Benches for three-quarters of a century, the irresistible logic behind the present decision, is that the nation must have the control of any activity which has assumed national importance or whose incidents have come national."

I make a present of this dicta to my hon. friends here relying upon Todequeville. It is curious that the Supreme Court of United States of America did not rely upon the observations of Todequeville. But, here is what they have thought in a country like America which was a loose confederacy where not many powers but very few vested in the Congress; nevertheless the process as a result of trial and error has been reversed and what we find today in the United States of America is that all the important powers vest in the Centre.

Shri T. K. Chaudhuri: Including these powers which are proposed in the present Bill?

Shri Tek Chand: I read the commerce power just now to my hon. friend.

Now, take the case of Australia. There, like the United States of America, the Commonwealth Parliament—that is the Centre—has an enumerated list so far as their power is concerned. Legislative powers of the States are residual and there is no Concurrent List as we have got. They had to resort to the doctrine of 'unoccupied field' in order to curb the powers of the State Legislatures and to take away powers of the States because of national exigencies.

Then, turn to Canada. The Canadian Constitution is akin to ours to a limited extent. There the position is different. The residual powers are with the Dominion Parliament, and there is an enumerated list of powers for the States and there is no Concurrent List. By having resort to the doctrine of pith and substance the result has been that the people of Canada thought that the country should be well knit, that the nation should not be a loose confederacy and, therefore, all those powers should vest in the Centre. The experience of these three countries has been that because of the intensification of the national requirements, the result has been that the powers have travelled from the State to the Centre. Therefore, if we have taken a step in that direction, only to a limited extent, the experience of these three great democracies is a helpful study. If we have erred at all, we have erred on the side of moderation. It would have been perhaps very much better, as my hon. friend, Mr. Trivedi, remarked that the powers might as well have been put in the first List rather than in the third List—not in the Concurrent List but in the Union List. That being the position, there was also reference made to article 369, a reference to the effect that if you think that the Constituent Assembly, while framing article 369, could not anticipate and visualise the state of affairs five years ahead, you might substitute the words "five years" for "ten years". Apart from great controversial constitutional points, it will, in all probability, be held *ultra vires* if such a step were taken, but while steering clear of that controversy, we are committing the same error when we are trying to anticipate five years from now what the conditions would be. Therefore, it is extremely desirable, nay it is absolutely imperative, that the reserve of powers should vest in the Centre for an indefinite time to be resorted to, utilised and used for the benefit and weal of the nation if and when such a contingency arises. Therefore, it is not a question of

usurpation, but it is a question of having a concurrent reserve of power to be utilised when the national exigencies demand it.

Mr. Deputy-Speaker: The hon. Minister for Commerce and Industry may now reply. I will call the other hon. Members at the time of considering the clauses. It is a single clause and they can say what they want at that time.

Shri T. T. Krishnamachari: I believe I have about sixteen minutes and thirteen hon. Members have spoken, out of which six belong to the other side and seven to this side. Five have opposed this measure and seven have supported it. Hon. Members who have opposed the measure will forgive me if I do not deal at length to the points they have raised.

I must express a certain amount of gratitude even to the hon. Members who have opposed the measure for the reason that while there was a considerable amount of sound, there was very little of fury, and the debate altogether has been on a very high level. I do recognise that in a matter like this, namely, the amendment of the Constitution, notwithstanding the quantum of the amendment that is sought to be made, there can be a divergence of opinion, but the pride of place in regard to the criticism of this Bill undoubtedly goes to my hon. friend, Mr. Asoka Mehta, and in a very learned speech he raised a number of points. I have read his speech again last night and I am wondering whether I should take his speech as a compliment to the Government. I represent here rather than as a condemnation. He says that the circumstances under which we framed the Constitution were such as might be conceived to be circumstances when grave economic issues have to be decided on and he points out that those conditions do not exist. I do not know if he intended to pass on a compliment to this Government for having created a condition no longer grave.

Shri Asoka Mehta: Now the situation has improved.

Shri T. T. Krishnamachari: There might be some kind of contributory...

Shri Asoka Mehta: Negligence.

Shri T. T. Krishnamachari: There might be some kind of contributory negligence towards making the situation in India also good. Then he goes on to say about the considerable increase in the production of raw jute and raw cotton, in the case of raw jute without the power envisaged by the Government and in the case of raw cotton with the power. He says that while the production of raw cotton has increased only by a small measure, the production of raw jute has increased considerably. A thing like this is certainly a very valid point, torn out of the context. The circumstances under which more raw jute is grown, and again, the contributory factor of the Government's activity, negligent or otherwise, I am afraid, are factors which do not improve the case, but I do claim that we have done the right thing. We have produced more raw jute and we have not produced as much cotton because of the area that is needed for producing that percentage of cotton which will compare with the production of raw jute. We propose to produce more. Even today we are short of raw cotton and our consumption of cotton goods is increasing and we have got to produce more cotton. [If my hon. friend concedes that there has been improvement in the situation, I venture to point out to him that the improvement has got to be accelerated to a large extent, strengthened and stabilised. Again, he refers to the oft-quoted and oft-condemned report of the Commodity Controls Committee and speaks of the suggestions for buffer stock, which is one of the recommendations they have made. Why do you want all these powers for the purpose of keeping buffer stocks? For the purpose of distributing the buffer stocks we need some powers.]

The Commodity Controls Committee, amidst the various bad recommendations they have made, have made one good recommendation. I would humbly suggest to the hon. Member that he should concede also the very idea of giving the buffer stocks States some measure of control. I am afraid the one quotation he made—of course he made a number of quotations, some of them very useful—from David Lilienthal is one with which I do not agree. All those, who have an elementary knowledge of politics, will appreciate his quotation from Todequeville. It reminds us of the ideal for which we stand, but I am afraid the quotation from the Commodity Controls Committee of U.P. is not very apt. There the Committee says that merely because of the wrong classification of peas as pulses and not as foodgrains, certainly the production of peas has gone to the detriment of cash crops, but it does not mean that the Central Government control is very defective. On the other hand, the Committee tries to show that the people have profited thereby.

I do not propose to devote more time on Mr. Mehta's speech. By and large, in spite of the vehemence, his speech was reasonable and to some extent, it justified the *bona fides* of the Government rather than condemned it, but it is not a case of—I might assure him so far as I am concerned—intoxication; in fact, I am not addicted to narcotics and for that matter, at any rate it is so meagre that it cannot have any narcotic effect on me. I would say honestly and sincerely that in this matter the powers of the Centre have to be permanent and to be used in emergency.

I do not propose to deal with the speech of Mr. Basu. He is not here for one thing and it is not right for me to criticise him when he is not here. There is not much in what he says excepting that I would be very

glad to see my young friend who allowed his natural bent of mind to get control over him and support the Constitution. Mr. Basu comes of the bourgeois class and he is a solicitor by profession and, therefore, a respector of constitutional apparatus and I should be glad to find him a supporter of the Constitution. With regard to what Dr. Krishnaswami said, I think I should require a lot of time to deal with the points which he has mentioned; but, by and large, I do not think that he had made out a case that we are doing something which is heinous. He spoke and quoted not merely from the dissenting minute but also from Mr. Tek Chand: 'pulverisation'. The only two subjects left to the provinces will be some insignificant things. I have heard that before and if the hon. Members will go through the proceedings of the Constituent Assembly discussions, they will find more. My hon. friend is a very good speaker and some times his voice carries him away. I did not quarrel with him if he has said something which need not have been said. Anyway I enjoyed his speech. My hon. friend, Shri Raghavachari who is not here, like my friend Dr. Krishnaswami, coming from the same part of my country, with that astute mind which is analytical but not constructive in most cases made an attack. His main point of attack on me was my derision of language. I am glad. God has made me if there is a God one who made me. Beyond that I do not think he made any point.

So far as Mr. Tridip Kumar Chaudhuri is concerned, much of what he said was beside the point. He referred to some proposal made by some Government which has not been turned down but he thinks it has been turned down and it may be he is basing his entire structure of argument on that. In any event, whether it is turned down or not, Central control is not only necessary but it is imperative to use the language of my hon. friend, Shri Tek Chand.

With regard to many of the points raised, I must say that my friends,

Messrs. Gadgil, Raghuramaiah, Shah, Gandhi, Venkataraman, and Tek Chand, have answered them and Mr. Trivedi had gone beyond any of us. Quoting from the experience he said that if the Centre must take the responsibility, it must be undiluted responsibility. I should mention to the hon. Members that the Government does not feel that they are doing anything seriously wrong; they feel that they are doing a correct thing; the initiative does not quite come from the Commodity Controls Committee. Even constitutionally, what the Government is doing is a correct one.

My hon. friend, Shri Tek Chand took examples from the American, Australian and Canadian constitutions. I do not want to deal with the American example because that Constitution does not more or less fit into the pattern of our own Constitution. I suppose we were more or less guided by the Canadian and Australian examples to a large extent while framing our Constitution. Even the 1935 Act was to some extent a model.

But my hon. friend, Dr. Krishnaswami has gone through all these constitutions and he wanted to find support for his case. I would like to assist him by reminding him of the report of the Royal Commission on the Dominion and Provincial relations—what is called the Rowell Sivois report which, I believe, he has read. Here is an appraisal of a Committee which was presided over by a judicial officer of high eminence who did not continue because of the vagaries of human life being short. In that report the members of the commission have dealt primarily with the question of responsibility for employment and also responsibility of old age pension. They asked why not the Dominion Government acknowledge express responsibility. The Canadian constitution, curiously enough, in the concurrent powers mentions agriculture. While certain decisions which were pronounced late in the 19th century have to some extent protected the powers of the

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Dominion, the report mentions about the matter of assistance to primary industries, namely agriculture, etc. In this report, the Commission stated that when relief is on a small scale, responsibility can be borne without difficulty by a province. But in the event of widespread disaster with which the province is unable to cope without the assistance of the Dominion or in the event that the Dominion has already established effective control of the industry, the Commission recommends that the Dominion should assume direct administration and financial responsibility rather than render indirect assistance. I should like to improve upon these recommendations. For instance take the marketing legislation. It has been pointed out that in the past great difficulties have been experienced in framing Dominion and Provincial laws when the wishes of the Dominion and the Provinces were identical. The Dominion and the provinces should have identical powers in respect of marketing industrial products but additions may be made from time to time by common consent. It has to be borne in mind that the responsibility in a field which is extremely concurrent has been circumvented by virtue of judicial decisions. Here is the report of the Commission not merely to extend but to lay the responsibility both on the Dominion and on the Provinces. I say that what we are doing here is nothing more than what was recommended in that report.

I might go a little further and quote this book by Professor K. C. Wheave on Federal Governments. He insists that the Federal Government must have a high degree of adaptability. He mentions in this particular book that the degree of adaptability is forthcoming during war time; nevertheless, in times of economic crises the difficulty has not been so greatly realised. Here is a warning that while in times of war national consciousness is sufficiently aroused to allow for a certain amount

or degree of adaptability in the matter of wielding of powers, you cannot allow the Central Government to wield those powers in times of economic crisis; mutual conflicts, mutual interests do make it more difficult. I am afraid we cannot allow that in times of economic crisis. We could just say that we would not take the powers and we would allow things to go their own way but it will be heli-nous.

[The hon. Member, Shri Asoka Mehta, made a reference to the Agricultural Adjustments Act. He mentioned that by way of the possibility of a conflict between two authorities and he hinted that there may be possibilities of conflict within the Ministry itself in the Centre. It is possible we may have I am afraid if fifteen people are to sit together and decide on the destinies of this country there may be ten different views. If we do not want those different views, we need not have ten or fifteen people; we could have only one person.] What we do in a democratically constituted cabinet with collective responsibility is to find some compromise and adjustment of various views and then a line of action emerges. This American experiment in regard to agricultural adjustments was subject to a judicial veto ultimately. I maintain that it is precisely to avoid the circumstances that created the position which obtained in America at that time, that we have framed our Constitution in a different way. We have three lists and this these concurrent powers so that if necessary, the Centre can act.

[Finally, I would like to mention this. Apart from the fact that I am a Minister today in charge of Commerce and Industry, I have my own political opinions.] I am not one of those who believe that provincial responsibility should be taken away from them because once you take away provincial responsibility, the responsibility of the Centre becomes so great

that it would not be possible for them to manage. I agree with Mr. Asoka Mehta that a certain amount of decentralisation with recognition of the responsibility in a State is very necessary. That is how we have been going all along even in a matter where I think there has been a lot of agitation, namely, the construction of the powers of the various States in respect of article 286. We are not really challenging the possibility of extra-territorial jurisdiction for States in respect of taxation, an anomaly which no Constitution permits. But we are waiting for the Taxation Inquiry Commission to guide us in this particular matter. Government does not decide these matters *ad hoc*. Government recognizes its own fallibility.

Finally, I would only say one word. I am very sorry that Mr. T. K. Chaudhuri in the very short time at his disposal thought of fulminating against the unfortunate members of this Commodity Control Committee. They are good people. Just because of the fact that they were civil servants there is nothing against them. I think their objectivity is completely unimpaired, and they were quite prepared to tell the Central Government what they considered was wrong. If you want to condemn the action of Government, take my devoted head, pour all your scorn and invective. Why scorn somebody who does something and does it in the best interests of the country?

I think there is no need for me to take the time of the House any more. I have attempted to the best of my ability to answer those points which were not dealt with by my hon. friends on this side and by Mr. Trivedi on the other side.

Mr. Deputy-Speaker: Voting on this consideration motion will take place at 2-30 P.M. The House will now take up the next motion standing in the name of Shri T. T. Krishnamachari.

INDIAN TARIFF (SECOND AMENDMENT) BILL

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):
I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

I do not propose to say, in the usual manner in which government spokesmen often preface their remarks, that his Bill is an innocuous one. It is not. It seeks to amend the Tariff Act of 1934 by making certain changes in the First Schedule of that Act. The reasons for making these changes are many. In some cases protective while in other cases revenue considerations have been predominant.

I shall begin by referring to the items in which the import duty is a protective one. As the House is aware, the protection which we grant to industries is limited to a specific period of time. The intention is that before the expiry of that period, the Tariff Commission should hold another enquiry and examine how the industry has been faring and behaving and utilising the protection that it has been enjoying. In the last few months Government have received reports from the Tariff Commission on the question of continuing protection to nine industries, and the Bill seeks to give effect to the decisions taken by Government on these reports from time to time. Hon. Members will recognize that in every case where Government have taken action, as they had to take action one way or the other, the Government resolution has been placed on the Table of the House.

[SHRI BARMAN in the Chair]

It is a matter of some satisfaction that the Commission has found it possible to recommend that the hurricane lantern industry needs no longer tariff protection. It might be that the industry is not a very important one

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but it is indicative of the fact that while at one time this industry could not sell its products even in India in competition with the imported product, today it is in a position to compete with imported products and also compete with products made outside India in the export markets where it enjoys no protection. So far as I am concerned, nothing would please me more than to see similar progress made by the other industries so that after an initial period of protection they become fully economic and competitive not only within the frontiers of our own country but also abroad. Protection for this industry is recommended by the Tariff Commission to be withdrawn from the beginning of next year and hurricane lanterns will be subject only to revenue duties in future.

For preserved fruits, cocoa powder and chocolate, bichromates, cotton and hair belting, sheet glass, antimony, electric brass lamp holders and bicycles including parts and accessories, the Commission has recommended that protection should be continued, and the Bill seeks to extend the period of protection in accordance with the recommendations of the Commission. The Reports of the Commission as well as Government resolutions on them have already been placed on the Table of the House. Government have, as a rule, accepted the recommendation of the Tariff Commission in regard to the rate of protective duty in each case. To this general principle there are three exceptions to which I should like to refer very briefly.

In regard to electric brass lamp holders the Commission came to the conclusion that a level of duty lower than the present one would provide adequate protection. Now, brass lamp holders are made mostly by small-scale producers who unfortunately are not well organised. Even though their costs are low, they are not well equipped to push the sales of their products in competition with imported

ones. In fact I understand that when the Director-General of Supply and Disposals invited tenders for lamp holders, all the quotations were from middlemen who wanted prices far in excess of what the Tariff Commission considers to be a fair price for the Indian producer. It is the intention of the Government that special steps should be taken by the small-scale Industries Wing of the Commerce and Industry Ministry to help these producers to market their products more efficiently in the future. In the meantime Government have decided not to lower the existing rates of protective duty on brass lamp holders.

In the case of bicycle and bicycle parts too. Government have made some changes in respect of the recommendations made by the Tariff Commission. While accepting the lower rate of *ad valorem* duty on bicycles which the Commission has recommended, Government have felt it necessary to ensure that the domestic industry is not threatened by the import of very cheap cycles. We have, therefore, fixed a specific duty as an alternative to the *ad valorem* duty, so that the incidence on cheaper cycles is heavier. For cycle parts Government have not made any reduction in the duty as recommended by the Commission, because here again much of the production is in the hands of small-scale producers who face peculiar difficulties of their own. I am sure the House will agree with me that the small-scale producer as a class needs some additional protection and we have therefore to be very liberal in giving protection for this category.

I would like to make an important amplification in regard to the import of bicycles. Even with the specific duty of Rs. 60 it would mean that if bicycles are more freely imported than they are, the imported bicycle will cost less than what it does today. In fact the landed cost should not be more than Rs. 155 or Rs. 154, whereas most of them now sell at Rs. 180.

And it is the intention of Government to see that there is a reduction in price from Rs. 180 and Rs. 190 by means of allowing a little more imports, consistent with the protection that is necessary for our own industry. In fact it has been expressed by more than one producer of bicycles that the coverage that he now gets will enable him to compete with imports, and it might be that in due course of time we do not need any quota restrictions at all in respect of bicycles.

Lastly, Government have not reduced the import duty on certain varieties of preserved fruits as recommended by the Commission, because they felt that the consumer in this case could well afford to contribute to the exchequer on the present scale, even though the rate of duty may be higher than what the Commission considers necessary to protect the home industry.

Before the year is over some more reports from the Tariff Commission will be received, and action to continue or discontinue protection, as the case may be, will be taken on them. The Commission has, however, informed Government that in regard to six industries it will not be able to submit its reports sufficiently early for Government to take decisions on them before the end of the year. These are photographic chemicals, non-ferrous metals, aluminium, electric motors, ball bearings and plastics. As the present protection in respect of these six industries is expiring at the end of this year, the Commission has recommended that the protection should be continued for one more year, so that the Commission may in the interval submit its reports on these industries. The Bill therefore seeks to extend the period of protection for these industries till the end of 1955 while leaving the existing import duties on these articles unchanged.

I now turn to the items the duties of which have been determined not in consultation with the Tariff Com-

mission, but by the Government itself, for revenue considerations which certainly were important. As the House is aware, we have for many years now been controlling the import of practically everything under the system of import licensing. Our foreign exchange position has been such that after meeting our requirements of essentials like foodgrains, raw cotton, raw jute and plant and machinery, we have had to ration the balance among a large number of commodities.

There used to be a good deal of criticism on the floor of the House about import control. I am happy that during the last two years the criticism of the administration has been progressively less and less. There are now few complaints regarding delays in dealing with applications. But, the criticism against the system itself that it perpetuates certain established channels without giving any opportunity to new-comers to enter the import trade, still remains. Unfortunately, even now it is not possible for us to say that our foreign exchange difficulties have been permanently solved and that we can afford to allow unrestricted and unlimited imports of all commodities from all directions. Indeed, there will be heavy demands on our foreign exchange resources to meet our requirements of plant and machinery and raw materials for certain industries that we propose to plan during the Second Five Year Plan. Therefore, the availability of foreign exchange will have to be on a restricted basis. What we can afford to do in the light of the improved position is to curtail domestic consumption of imported goods not through a scheme of quotas, but through higher tariffs. In other words, we are now in a position to give a little more elbow-room to the new-comers and to provide for greater flexibility in the administration of this control. A start in this direction was made in the last Budget when we raised certain import duties and liberalised somewhat the import licensing on a number of commodities. We now propose to go one step

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further in the same direction. Import duties are being raised on a large number of items and simultaneously, the import control policy towards them would be eased.

This change in the technique of reducing the volume of imports, has many advantages. I have already pointed out that with higher duties, it will no longer be necessary for us to shut out new entrants on the ground that the quota is very small. More important is the financial consideration. With a very tight import quota, the price of the finished product to the domestic consumer was far above the landed cost. In conditions of scarcity, the importer would make extraordinarily high profits. With an increase in import duty, this extra money is expected to accrue to the Central revenues. My colleague, the Finance Minister, in his statement when the Bill was introduced, pointed out that our customs duty has fallen far below our original estimates. Greater competition between importers will however ensure that the price to the consumer is not unjustifiably higher than what would be fair having regard to the landed cost of the article. Our experience in the past has more or less proved that our estimates in this connection are reasonably sound.

The House will expect me to give some indication of the effects of this policy on domestic industry. With the very high rates of import duties which are now being fixed, I have little doubt that our indigenous producers will not find greater competition from imports on account of a more liberal import policy working against their long-term interests. I emphasise the phrase 'long-term' in this context. A short-sighted producer wants to have no competition at all so that he can make the maximum amount of money in the minimum amount of time. He pays no heed to the needs of the consumer. He does not worry about efficiency of the product. He ignores the importance

of maintaining the quality of his production. He forgets the art of salesmanship. In other words, he is inclined to exploit his somewhat monopolistic position created by adventitious circumstances. With some imports coming in even at a high price, the public will have before it goods with which it can compare the indigenous product both in regard to price and in regard to quality.

I would humbly remind the House that all our great industries of which we are justly proud, the cotton textile industry, the jute industry, and the steel industry, were built up without any quantitative restrictions on import and with only such tariffs as were considered to be essential. I am quite satisfied that the new policy is in the best interests of our industrial development. The House will observe that in some instances we have introduced specific rates of duty as an alternative to the *ad valorem* rates. The reason for this is that over the past twelve months, there has re-emerged in international trade the practice of what is called usually "dumping". There are countries, who are in the export trade, who not merely operate on the basis of marginal cost, but on no cost at all, equating their losses by means of higher prices on goods supplied to the home market. We cannot base the *ad valorem* duty on the invoice price of one particular source of supply. To do so would be to shut out the goods of other countries altogether for no fault of theirs. The effect of a specific rate of duty would be to ensure that a certain minimum amount of import duty per unit is levied even though the price of imports from any particular country may be artificially low. I would like to point out to hon. Members two commodities which, though they may not be very important, have still a bearing on indigenous industry. First, the question of a specific rate of duty on playing cards; particularly when playing cards were coming in partly by a small quota and partly by

means of smuggling, the consumer was paying a very high price for it, sometimes Rs. 2-8-0 per pack. What we now seek to do is to mop up that high price that the consumer is paying by a specific duty of one rupee, which perhaps is the cost of the best Indian-made playing cards. In the same way in regard to old newspapers. Really this specific rate of duty will lead to greater production of craft paper in this country. We have 17 units producing craft paper. Our idea is that they may be strengthened and they may be able to supply craft paper at a lower rate than five annas a pound. Hon. Members will recognise that it is more hygienic to use craft paper than old newspapers. I am merely mentioning this as illustrative of the policy that Government has been pursuing in the Bill before the House.

Last but not the least, there is the consumer to consider. The items which we have chosen for an increase in duty to produce higher revenues are not in the nature of basic essentials. Spices, tinned and bottled provisions, toilet requisites, furniture, toys, completely assembled motor cars, are all items on which a higher level of indirect taxation, in the present conditions of our economy, would appear to be justified. On the other hand, to the extent that these duties affect essential consumer goods such as pencils, woollen fabrics, blankets and rugs, etc., I would advise anyone who wants to get his requirements at economic prices to go in for the Indian product.

Our industry has made great strides in the past few years. Before the war, we were importing even cotton cloth in considerable quantities. Today, we are exporting them in hundreds of millions of yards all over the world, even to countries from where we used to import cloth in the past. The consumer can, therefore, meet his needs without using imported articles. At the same time, it will be open to him, if the Indian producer does not play fair, to switch over his patronage

to an alternative product which will be available provided he has the purse to pay.

This, in short, is the basis behind this Bill. It looks in all conscience complicated enough. I have no doubt that hon. Members in the course of the fairly long period that has been fixed for a debate on this Bill would raise queries and make criticisms. I shall then endeavour to answer them to the best of my ability.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

Shri V. P. Nayar (Chirayinkil): I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st November, 1954."

I was listening to the latter half of the speech of the Minister of Commerce and Industry. He concluded by saying that although this Bill pretends to be or appears to be very complicated it is simple. I beg to differ. I take a different view of the matter. If we are to appreciate this Bill or if we are to properly understand this Bill, it has to be read with the supplementary issue of the *Import Trade Control* published by the Government. It is a very important document which all of us should peruse, and also we have to understand the implications of the recent statement circulated by the Finance Minister at the time this Bill was made available to us.

In this Bill, Sir, provisions have been made for the continuation of protection in some other way for certain industries, the protection of which had been recommended by the Tariff Commission on several occasions. We are not certainly against the principle of the State coming in to help the indigenous industries by affording protection. On the other hand, we stand for protection, and

[Shri V. P. Nayar]

we are also certain that some industries have necessarily to be protected, and Government should do, in affording protection, all that is possible. But the way in which this protection has been given to some industries is, to my mind, very undesirable—to say the least of it.

The Government of India, I am sorry, Sir, has not issued any directive to the Tariff Commission that in recommending industries for protection, the interests of foreign entrepreneurs in India should not be given any consideration and that Indian industries should be protected only when it is confined to Indian interests. That is, even if the Tariff Commission has not recommended that British interests or foreign interests in India should be protected, that those industries should be afforded protection, Government should have taken the opportunity to confine protection only to those industries in which the foreign capital has no participation. That has not been done. And how this protection and tariff wall will operate against certain industries I shall refer to later on, and in doing so, shall also give some facts and figures.

This Bill, in the guise of affording protection, seeks to set up some stiffer revenue duties on specified items. I agree, possibly they are items all of which have been released from the obligations of the G.A.T.T. I am not very certain about it, but I presume....

Shri Bansal (Jhajjar-Rewari): No, no.

Shri V. P. Nayar: But most of them are.

Shri Bansal: No, not most of them. Only a few.

Shri V. P. Nayar: These enhanced duties have come after Government's announcement regarding the liberalisation of import quotas in the Red Book. That is a very important fact which we have to go into. Govern-

ment apparently assumes that the increase to be now effected will protect the industries and also the tariff walls proposed will prevent any sort of undesirable or unhealthy competition from foreign manufacturers. This possibility is certainly not ruled out, although Government thinks that hereafter if you have a very steep tariff wall, if you make it more and more steep, there will be in future no danger of competition from foreign manufacturers. This at best, I think, is only an assumption and will not be justified by facts and circumstances.

In this context, I would put to the hon. Minister two questions. Is it correct to afford protection only through raising the tariff wall and not by imposing, alongside of it, restrictions on import quotas? And the second question is: will such steep increase in revenue or protective duties neutralise the effects of liberalisation? To my mind, the answers to both these questions appear to be in the negative.

Those to whom talking without sense has become a habit, can certainly proclaim that liberalisation of imports in the present context of planning will not prejudice the national interest. I take a different view. Government have conveniently, or should I say, studiously forgotten that planning demands a purposive and positive canalisation of the foreign exchange resources of the country with a view to the country's development, for the import of necessities of capital goods and also essential raw materials. For, on them, as we know, depend the future economic progress of the country.

Government cannot, in the context of planning, afford to fritter away any of the foreign exchange that they may earn. Permitting of imports of all kinds under a policy of liberalisation will necessarily throw to the winds the country's paramount demand for capital goods as also vital essential raw materials, and I am

afraid if the policy as such is continued it will be pushing down the economy of this country from the edge of a precipitous crisis.

One possible argument the hon. the Commerce Minister or the anxious Mr. Bansal might advance is that as a consequence of deficit financing....

Shri Bansal: I have not advanced any argument.

Shri V. P. Nayar: I anticipate.

Sardar A. S. Saigal (Bilaspur): You anticipate?

Shri V. P. Nayar: "Possibly" I said.

Sardar A. S. Saigal: You anticipate so many things.

An Hon. Member: An intelligent man always anticipates.

Shri V. P. Nayar: I said it may be argued either by the Commerce Minister or by the over-anxious Mr. Bansal that this sort of liberalisation is a necessary counter-check on inflationary trends consequent on deficit financing.

Shri Bansal: I am not going to argue that.

Sardar A. S. Saigal: Your impressions are wrong.

Shri V. P. Nayar: Any deficit financing, according to us, without recourse first to tapping the limitless resources of imperialists' capital which is here or before freeing the rural forces from the octopus grip of the feudalists, will amount to nothing. I do not propose to go into details of this now. But I want to refer to this aspect, i.e., when the question is posed this way that it is a counter-check to inflationary trends consequent on deficit financing. I do not propose to refer to the views expressed by Communists, but I may be permitted to say that such economists, as for example Dr. V. K. R. V. Rao, say—that have demanded that deficit financing must be necessarily accompanied by a positive and planned policy of imports which strictly conform to requirements of development—

imports to set in motion the forces of production lying idle; imports to enable also the vast and ruinous idle capacity being utilised to full.

Shri L. N. Mishra (Darbhanga cum Bhagalpur): Don't you agree?

Shri V. P. Nayar: I certainly agree, to some extent. I am coming to that. But my point is that the policy of liberalisation that is now contemplated and which is to be implemented will not at all help the utilisation of the idle capacity in certain industries—a case which I will prove with facts, and also with details and figures.

Now, let us examine whether the policy of Government in liberalising imports and then steepening the tariff walls would amount to anything like utilising our idle capacity.

The Commerce and Industry Ministry in a supplement to the *Journal of Trade and Commerce* last year listed certain vital essential industrial raw materials in which India was having a shortage. I want to know what the Government has done to make the position better for Indian industries, because we have necessarily to import some raw materials. They are not within our reach, nor is the Indian industry so very much developed as supply these raw materials themselves. In the absence of any possibility of the adequate requirement being met from indigenous sources, what is the plan which they have? It is common knowledge that unless you have the basic raw materials, industries which already have created unemployment, which already have a large percentage of installed capacity lying idle, cannot function, and so far as I can see, although the policy of imports is liberalised, no preference has been given or no plan has been evolved for the import of capital goods or for the import of essential industrial raw materials. I will be able to establish this by reference to certain articles which are mentioned in the present Bill.

I could have appreciated liberalisation had it been after the intro-

[Shri V. P. Nayar]

duction of a plan to make India self-sufficient in essential goods and raw materials in a short given period, which unfortunately has not been in the mind of the Government. Without the foundation being laid or attempted or even thought of or ways and means tried and suggested to see that there is no idle capacity in any industry, Government now come out and say that they propose to liberalise all imports. To me it appears that it is just like varnishing the roof of a house before the foundation has been built. Priorities in imports....

The Minister of Commerce (Shri Karmarkar): We have always allowed, if my friend will permit me,—I thought he knew—that in respect of capital goods as also raw materials we have been absolutely liberal. There has been no complaint.

Shri V. P. Nayar: I have not said that, but you have no policy so far by which India will be self-sufficient in the requirement of capital goods and essential industrial raw materials within a short given period. If you have a plan for that, I may not have anything more to say about it.

Shri Karmarkar: I have nothing more to say.

Shri V. P. Nayar: The inevitable result of this policy of liberalisation—which is called a policy by the Government but which actually is nonsense—is that it will completely cripple our economic progress. Priorities in imports of basic and essential raw materials having been left out of any plan whatsoever, the import liberalisation can, if at all, mean only an invitation for foreigners to exploit our country by robbing us more and more of the money which we have got in circulation by deficit financing. That is the point which I wanted to make. Such a policy should not be characterised merely as a bankrupt policy, because bankruptcy may imply a certain amount of innocence. I do not say that this is merely a bankrupt policy because Government, I am

sure, knows all the implications of this Bill.

2 P.M.

I shall endeavour to try and show that it is absolutely essential that we take a different view about the policy of liberalisation except if it be that the policy is intended to promote the interests of certain persons in whom the Commerce Ministry is particularly interested and whose cases I will give later on. There cannot be any meaning to the policy of liberalisation as it is propounded now.

It is admitted and I don't think anybody will contradict that dumping in more money by deficit financing into the economy of our country will make more funds available at the disposal of importers with the other side of it that foreign manufacturers will have chances to take more and more money from India. It is in that context that we have to see what the implications of the Import Control will be. There is one obvious danger and I think it is known to the Commerce Minister himself—Shri Karmarkar. Some countries, for example, Japan, subsidise their exports in so many articles. I know at least that for soda ash, Japan has quoted rates which are comparably very very low to other countries. The rates are like these. If you order for hundred tons, they give a particular rate but if you order for one thousand tons, the rates are 25 per cent. less. If you order for five thousand tons, the rates are 30 per cent. less. It is like that and I believe that the Commerce Ministry knows that when the import licences for soda ash had to be given and their quotations were invited I think the Japanese quotations were the lowest. We do not have any control over the falling prices of commodities in other countries and some countries, who have lost the market, make an all-out effort to re-capture it. The State Governments have undertaken to subsidise the imports in case of certain commodities. What does the protective duty or the revenue duty, which is stiffened under

the present Act, mean to them if you have 50 per cent. or 40 per cent. *ad valorem* to be paid on import of soda ash.

I do not refer particularly to soda ash because soda ash is neither liberalised nor is the duty enhanced, but I refer to other commodities for which there is this danger that when Governments subsidise the export, when the private trade gets financial help from the Government in the matter of export in order that markets may be re-captured and that they may be in the world market, the enhancement in this duty cannot be of any use unless it be that we have assigned definite quotas.

Liberalisation, as I understand, does involve and does mean that quotas are not fixed in so many articles. It may be that for soda ash or some other chemicals, they may be fixed, but in so many other articles there is no restriction on the quantity to be imported. Perhaps there is a maximum which is far above the demand of this country.

Then there is this aspect of it that if you take into account the possibility of falling prices in other countries for certain commodities for which we have liberalised our imports, there is also the possibility that there will be new inroads into our economy by foreign enterprise and this will certainly be a visible danger to our economy in general. Sir, the danger of price-fall in another country is not a matter in which the Government of India can do anything and that is not a matter which could be covered by the duties as they are now imposed.

We have also to see when we declare for ourselves a policy of liberalisation that monopoly suppliers have the best developed technique in the sale organisation. You will understand that firms like Volkarts and Lever Brothers can certainly reduce their rates for the time in order to ensure that their products are bought to the maximum and not ousted in India. Price manipulations, as far as

some of the monopolist suppliers are concerned, have been developed as a technique and however much we may raise the tariff wall, we cannot escape the fact that our country is tied to certain sections of the world and the bulk of our imports have to come from the United Kingdom and the United States of America and when there are, in this country, firms with immense and colossal capital, operating through a network of Indian and foreign-controlled organisations, it is impossible to raise the tariff wall by 10 per cent. and then say there will not be competitors here. As a matter of fact the technique is one which has to be studied and I am sure that they are far more clever than this Government. If they have 10 per cent. more they will have some other ways. So long as they control the entire distribution in this country it will be very easy for them to avoid the incidence of this.

Not only that, if you enhance the duty there are some commodities in the list which are necessary for the common man. Take, for example, the razor blades. If you enhance the duty on razor blades—I do not for a moment say that razor blades have to be allowed freely to come to India, that is certainly not my position—but in such cases there is this danger. I find somewhere in the report of imports and industrial development of the Federation of Indian Chambers of Commerce and Industry—I found somewhere in this book that the capacity of the razor blade industry in India is about two hundred millions blades per year while, as a matter of fact, Indian blade manufacturing industry produces hardly thirteen or fifteen million blades. Now take this case. We all know what is the result of using an Indian blade and if we have a morning shave with an Indian blade part of the skin of the chin may also be removed. Already the traders here know that there is going to be an enhanced duty. All the blades in the important cities have been cornered and the blades are selling very dear there. What is the purpose of levying an additional duty on this?

Mr. Chairman: There is time allotted for the whole Bill.

Shri V. P. Nayar: Kindly allow me to take some ten minutes more because I find that nobody else has taken the pains even to suggest an amendment and all the amendments that have come so far happen to be in my name.

Sardar A. S. Saigal: Sir, there are other Members also to speak and the time is limited. At 2-30 we have to close.

Shri V. P. Nayar: I do not want to take more time of the House than is absolutely necessary. I was referring to razor blades. The industry is suffering. The industrialists say that they do not have their requirements of the high quality steel which is absolutely essential for the production of razor blades—a matter in which the industry says that Government has not given any help so far. My point, therefore, is that if you impose a duty of 50 per cent. or 60 per cent. or 80 per cent. on safety razor blades, I am certain that ninety per cent. of the people would still go in for imported blades, so long as the Indian blade does not remove merely the hair, but even the skin.

Shri Karmarkar: That depends on how you shave yourself.

Shri V. P. Nayar: May be, the hon. Commerce Minister is a good expert on that.

Shri Karmarkar: I am quite an expert. I have tried Indian razor blades, and I would advise my hon. friend to use them without any risk whatever. Only he has to soften the skin.

Shri V. P. Nayar: But I would require some demonstration. The razor blades industry, as Government themselves will admit, is really in throes, and my contention is...

Kumari Annie Mascarene (Trivandrum): I rise to a point of order. The answer and the question between

the hon. Speaker and the hon. Minister sounds to me, a lady, that it is extremely insulting and mean. I do not say who is who, but the hon. Member asking the hon. Minister for a demonstration is not fit or worthy of this House. I ask you, I appeal to you, to say whether it is parliamentary discipline or demeanour or respect for women.

Shri V. P. Nayar: May I resume? I am sorry that the hon. lady Member's apprehension is unfounded, and in her usual way, she has misplaced her criticism. I never wanted the hon. Minister to demonstrate. I only said that I shall be satisfied of it only by a demonstration, and I hope the hon. lady Member understands sufficient English to find out what I meant.

Kumari Annie Mascarene: I think I understand better English than you, and better behaviour too.

Shri V. P. Nayar: With willingness, I give her the monopoly of wisdom.

Mr. Chairman: Do not waste your time like this.

Shri V. P. Nayar: I am not wasting my time. I would refer to another point....

Pandit K. C. Sharma (Meerut Distt.—South): Why do you not yield to the hon. lady Member?

Shri V. P. Nayar: There is another matter....

Kumari Annie Mascarene: Yielding to me? It is insulting.

Mr. Chairman: I shall not allow the hon. Member to go beyond 2-15 p.m. You have wasted practically five minutes of your time on this.

Shri V. P. Nayar: I shall finish in six or seven minutes.

Shrimati Tarkeshwari Sinha (Patna East): No, this cannot be done.

Mr. Chairman: I shall give two minutes more.

Shri V. P. Nayar: Please give me five minutes more.

There is another article, and that is woollen textiles. I understand that recently some licences on woollen textiles were being sold to ten and fifteen per cent. of the value. Here is an article, from which I would like to quote, in respect of woollen textiles. This is from the *Eastern Economist* of the 17th September, which says on page 482—I shall not have time to read all of it, but I shall read only an extract—

"The explanation for this anomaly is to be found in the fact that under the prevalent quota system, licence-holders get a premium, it is alleged, of anything between forty and fifty per cent. on the landed cost of imported woollen manufactures. The large increase in quota will now naturally lead to the disappearance of the premium, and because of this, the importers can take the impact of even a sharp rise of over 28 per cent. in the import duty on woollen goods."

My point is that woollen goods have been yielding a very huge profit, and a very little rise in this duty will not mean anything substantial, nor will it be of any help to the Indian industry in woollen manufacture.

Then, there is another article that is not found in the Bill, but which finds a place in the supplement to the import trade control policy. I refer to item 188, i.e. cotton fabrics not otherwise specified, containing more than ninety per cent. of cotton. About this also, there is a very interesting article in the *Economic Weekly* of 11th September. This is what it says:

"Following an agitation by Lancashire interests, the British Government has made strong recommendations to India on tariff and quota restrictions imposed on British textiles. Mr. Peter Thorneycroft, President of the British Board of Trade, speaking at Manchester the other day, said, we regard the restric-

tions as unfair in relation to our treatment of Indian cloth imports. The British Press has gone to the extent of complaining that competition from India is greater to the Lancashires than Japanese competition."

Why I say this is because under the pressure of the British Board of Trade, we have had all this; although as the hon. Commerce Minister was just now telling us, we were importing millions and millions of yards, we have had to allow British textiles to be imported into India.

Then, there is a question which I would like the hon. Minister to answer, and that is about the duty which is fixed on automobiles, which are imported for personal use. As we know, in the automobile industry in India, there is the participation of American and British capital; and with their participation and technical aid, you find in the Birlas the Morris group, you find in the Premier Automobiles the Chrysler Corporation group, in Mahindra & Mahindra the Willis group; and in all Indian automobiles manufacturing units, there is both foreign participation in capital and foreign aid. With all this, what is the advantage? We are now getting a 10 H.P. car made in India—or 'so-called' made in India, for I do not for a moment think that it is completely made in India—for nothing less than Rs. 9,000, and Government say that they have afforded protection.

I do not say that the automobile industry does not have claims to protection, but all the protection which is given to the automobile industry is merely to enable the various units functioning in India to have as much profit as possible. There is no reason why an Indian-made automobile should cost Rs. 9,000 or Rs. 10,000. I have here an offer made by a firm in Amsterdam about a certain car. I have also a photograph of that. It is a 10 H.P. car that has been offered. There are technical details also, which will show that these cars could

[Shri V. P. Nayar.]

not have been made out of hay or straw. This car has been offered to an Indian businessman—I refuse to divulge the name of the businessman, because he has some connection with the Import Department. Auto and Motor Tool and Import is the firm which has offered this. The price is very low, and amounts to 700 U.S. dollars, including seaworthy packing cases.

Shri Karmarkar: Second-hand car?

Shri V. P. Nayar: Brand new. It is stated in the offer—please hear.

"We are starting our export programme with the distribution of a small four-door passenger car equipped with chain speed lever under the steering wheel, four hydraulic brakes, four-cylinder, four-stroke gasoline engine..."

Here is a photograph of that car, and it is offered for \$700, not by the country where it is manufactured, but by another country where the manufactures are sent. The car is made in the Soviet Union, and the price is only 700 U.S. dollars, and that also includes seaworthy packing.

In India, we have a trade agreement with the Soviet Union. Why should cars cost Rs. 10,000 and more, for 10 H.P.? If the hon. Minister knows anything about cars, I will pass this on to him.

Shri Karmarkar: Even otherwise, I should like to have them.

Shri V. P. Nayar: With what little I understand about technical details, it has as much, and perhaps better arrangements; especially in the shift gears, front suspensions and back suspensions etc. it has made much better progress.

Mr. Chairman: The hon. Member's time is up.

Shri V. P. Nayar: Let me finish this point. India has a trade agreement with the Soviet Union, which allows and provides for the installation of a machine-manufacturing industry here.

Why does not this Government take advantage of that? When another country can offer us for \$700, do you really think that it will be difficult for an Indian automobile unit guided by the Soviet technicians....

Kindly allow me to finish this point.

Mr. Chairman: The hon. Member is repeating the arguments.

Shri V. P. Nayar: I am not repeating any argument. But let me finish this point.

Mr. Chairman: I am sorry I cannot allow the hon. Member to continue. I shall now call upon Shrimati Tarkeshwari Sinha.

Shrimati Tarkeshwari Sinha: I have been listening to the speech of Shri V. P. Nayar: I find that every time he speaks, he speaks with a bad odour in his mouth about foreign money, foreign aid and foreign concerns and foreign exchange. Only after he came to the trade relations between India and the Soviet Union, he had some good words to say about our relationship, and he said that we should come forward and buy much more than we are buying or are supposed to buy from the Soviet Union. I would not start giving replies to him, because the House knows the nature and the spirit in which he always talks, and this time also he has spoken in the same manner.

I shall, therefore, come straight to the main point. It is a very happy news that Government have taken on hand the liberalisation of import policy. It is much more happy, because it was not immediately expected. We know that since long, pressure has been built up by the manufacturing concerns in the country itself to dissuade Government from relaxing this rigid control on imports. The Federation of Indian Chambers of Commerce and Industry in its brochure, 'Imports and Industrial Development' has asked for further control and restrictions on imports.

But the Government of India have been wise to reject this view and to take a more realistic and practical view of the need of fostering Indian trade and Indian imports on a flexible system of control. The case for controls has been very convincingly put now and then. Constantly, it has been advocated due to the reason that we need foreign exchange and foreign exchange should not be wasted by relaxing import controls. But, now, with the accumulation of foreign exchange, we find that we are in a much better position to have our imports on a much more relaxed basis in future. Broadly speaking, the modifications that are provided in our policy are as follows. First, increased facilities for imports from the hard currency areas, i.e. increased facilities for imports from the dollar areas. The second modification is, increase in import quotas of certain items. The third modification is the removal of restrictions and implementation of a liberal system of import licensing. The fourth is the expansion of the list in which the basic period has been extended to 1952-53.

These modifications may not be revolutionary, but they are likely to provide facilities specifically with regard to imports from hard currency areas. It is a well known fact that we need certain goods, certain things from the hard currency areas themselves because they are not available in countries which belong to the other currency areas. Therefore, it is no good saying that we are wasting our foreign exchange or we are going to waste our foreign exchange by taking advantage of our improved accumulation of foreign exchange.

Hitherto, in order to make India run an overall dollar balance as well as an overall balance of trade, the Government have been rather severe in licensing imports from the dollar countries or the hard currency areas. But now as the sterling areas' gold and dollar pool has steadily risen, and there are talks going on to re-

move this control completely so that the sterling area should be made a free area, I do not think there is any undue fear of our importing goods from the dollar or hard currency areas. We are hoping that in future also, liberalisation of imports from dollar countries will continue and it will make for a more favourable and relaxed policy in the matter of imports from the hard currency areas. At present, the list is obviously small,—because we cannot take the risk of importing many things from the dollar areas—in that it includes a few items like precision and measuring tools. I want Mr. Nayar to hear that not a single piece of luxury goods is being imported from dollar areas. They are only precision and measuring tools, leather belting, generating sets, fluorescent tubes, power driven duplicators, manual or animal driven agricultural machinery, industrial sewing machines and water metres. These are all the things, more or less, that we are going to import from the hard currency areas.

Here, I would like to submit humbly that one thing should always be kept in view and that is, that modifications, if made, should be stable, more or less, for a long time, because everyday changes in the trade and import policy creates a feeling of shakiness and nervousness in business circles, and we do not want under the First Five Year Plan or the Second Five Year Plan that our business people should be shaky and private enterprise should be nervous. For this, there should be stability in the trade and import policy as well as in the general industrial policy.

Now, coming to the articles from the soft currency areas, many things have been provided and they can be counted more or less as 'comfortable' commodities or commodities which provide luxury. These things are woollen fabrics, blankets and rugs, sanitary ware, vacuum flasks, glass bangles, safety razor blades, bicycles and breakfast food. There has also

[Shrimati Tarkeshwari Sinha]

been partial acceptance of the British protest, on behalf of the Lancashire textile goods. But I think it is not on the question of importance of our industries being developed; but it is a question of creating goodwill among the Commonwealth countries themselves. Indian goods that go to U.K. do not have to face tariff and other restrictions, because we have got certain benefits, certain facilities, being a Commonwealth country. The British industry have their grievances because they are also suffering. We think it was quite reasonable for them to approach the Government of India, and it was good gesture on the part of the Government of India to accept their view and allow for a more liberal policy in regard to the cloth that we import from Britain.

Indian fabrics containing more than 90 per cent. of cotton sateens and velvets are to be virtually removed from quantitative control and amongst many items which are to be licensed more liberally are fish, unmanufactured ivory, boots and shoes, watches, cigarette paper in booklet form, synthetic stores and educational toys.

But before we pass off the principle of import control, we should make a careful examination of the extent to which industries in India have developed due to this import control. I do not agree with the belief that industries in India have developed only due to these import controls, because in the case of important industries like steel, textile, cement and sugar our prices compared to prices in other parts of the world were comparatively lower for a long time. That was not due to the protection that we granted to our industries, but our industries had the capacity to compete with other industries and maintain their own markets. Some minor industries, I agree, have been helped by this import control policy, e.g. bicycle, motor-car and small electrical goods. But my one

request to the Government is that now, at a time when we are not able to spend industrial resources put apart under the Five Year Plan, they should be distributed as subsidies to those particular industries which, the Tariff Commission says, should be given protection in the national interest. Government are not able to spend some of these money resources, and so this is a suggestion that Government can follow and distribute the subsidies to these industries without reverting to a rigid system of exchange control or a rigid import policy.

Now, as regards revenue duties, the entire question stands on a different footing, because the main purpose of revenue duties is the collection of additional revenue. So here the problem that needs to be analysed is a matching of price against the revenue which has to be obtained. There is an urgent need for studies being made on the elasticity of revenue duties on an extensive scale in this country. I think so far we have not enough knowledge or statistics about the elasticity of revenue duty and how far it affects trade conditions. So a more thorough study should be made in regard to the elasticity of revenue duties in relation to our country's needs. Therefore, in my opinion, consumer research studies should be made for determining the volume of revenue duty which a particular commodity can bear. I want to repeat this sentence again because I want to impress on the hon. Minister that there is a vital need of the consumers' aspect—which has always been neglected—being taken into account. So there is a vital need of consumer research studies for determining the volume of revenue duty which a particular commodity can bear. That is to say, a more scientific approach should be made to this problem and, for this purpose, a permanent machinery should be created to advise the Government on the structure of duties themselves in relation to revenue needs.

Then also, protection to Indian industries should now be framed more and more on tariff inquiries rather than on the dubious and improper method of haphazard import control.

With these few words, I hope that we shall have a more stable and more progressive import policy. From the changes that have already been made by the Government of India, it appears—we are under the impression—that Government are now realising that industrial inefficiency hinders the progress of our plan. Now, at the cost of inefficiency, Government do not want to give protection to those industries, and that is a good check that the Government are imposing on those industries which are producing all along on inefficient lines.

[MR. DEPUTY-SPEAKER *in the Chair*]

We have every faith in the approach of our hon. Minister who has been

the architect of this liberalised import policy, and I think the hon. Minister will take the country in two Five Year Plans to a more prosperous goal. With these words, Sir, as I have no time because voting is going to take place, I beg your leave to conclude.

CONSTITUTION (THIRD AMENDMENT) BILL—concl'd.

Mr. Deputy-Speaker: I shall now place the motion for consideration of the Constitution (Third Amendment) Bill, 1954 to the vote of the House.

The question is:

"That the Bill further to amend the Constitution of India, as reported by the Joint Committee, be taken into consideration."

*The Lok Sabha divided: Ayes 283;
Noes 33.*

Division No. 4]

Abdullahbai, Mulla
Achal Singh, Seth
Achint Ram, Lala
Achuthan, Shri
Agarwal, Shri H. L.
Agarwal, Shri S. N.
Agarwal, Shri M. L.
Alagesan, Shri
Altekar, Shri
Amrit Kaur, Rajkumari
Ansari, Dr. *
Asthana, Shri
Azad, Maulana
Azad, Shri Bhagwat Jha
Balasubramaniam, Shri
Balmiki, Shri
Bansal, Shri
Barman, Shri
Barupal, Shri P. L.
Basappa, Shri
Bhakt Darshan, Shri
Bhandari, Shri
Bharati, Shri G. S.
Bhargava, Pandit M. B.
Bhargava, Pandit Thakur Dass
Bhartiya, Shri S. R.
Bhatkar, Shri
Bhatt, Shri C.
Bhawanji, Shri
Bheekha Bhai, Shri
411 L.S.D.

AYES

Bhonsle, Shri J. K.
Bidari, Shri
Birbal Singh, Shri
Borkar, Shri
Bose, Shri P. C.
Brajeshwar Prasad, Shri
Chaliha, Shri
Chanda, Shri Anil K.
Chandak, Shri
Charak, Th. Lakshman Singh
Chaturvedi, Shri
Chaudhary, Shri G. L.
Chavda, Shri
Chettiar, Shri Nagappa.
Chettiar, Shri T. S. A.
Chinnaria, Shri
Choudhuri, Shri M. Shafiee
Dabhi, Shri
Das, Dr. M. M.
Das, Shri B.
Das, Shri B. K.
Das, Shri K. K.
Das, Shri N. T.
Das, Shri Ram Dhanu
Das, Shri S. N.
Datar, Shri
Deb, Shri S. C.
Desai, Shri K. K.
Desai, Shri K. N.
Deshmukh, Dr. P. S.
Deshpande, Shri G. M.

[2-30 P.M.]

Dholakia, Shri
Dhulekar, Shri
Dhusiya, Shri
Digambar Singh, Shri
Dube, Shri Mulchand
Dubey, Shri R. G.
Dwivedi, Shri D. P.
Dwivedi, Shri M. L.
Echaran, Shri I.
Ebenezer, Dr.
Fotedar, Pandit.
Gadgil, Shri
Gandhi, Shri Feroze
Gandhi, Shri M. M.
Gandhi, Shri V. B.
Ganga Devi, Shrimati
Ganpati Ram, Shri
Garg, Shri R. P.
Gautam, Shri C. D.
Ghose, Shri S. M.
Ghulam Qader, Shri
Gopi Ram, Shri
Gounder, Shri K. P.
Gounder, Shri K. S.
Govind Das, Seth
Guha, Shri A. C.
Gupta, Shri Badshah
Hari Mohan, Dr.
Hem Raj, Shri
Hembrom, Shri
Ibrahim, Shri

Iyyanji, Shri C
 Jain, Shri A. P.
 Jain, Shri N. S.
 Jajware, Shri
 Jangde, Shri
 Jayashri, Shrimati
 Jena, Shri Niranjan
 Jethan, Shri
 Joshi, Shri Jethalal
 Joshi, Shri Krishnacharya
 Joshi, Shri Liladhar
 Joshi, Shri N. L.
 Joshi, Shrimati Subhadra
 Jwala Prasad, Shri
 Kajrolkar, Shri
 Kakkan, Shri
 Kale, Shrimati, A.
 Karmarkar, Shri
 Karni Singhji, Shri
 Kasliwal, Shri
 Katham, Shri
 Katju, Dr.
 Kazmi, Shri
 Keshavaiengar, Shri
 Keskar, Dr.
 Khedkar, Shri G. B.
 Khongmen, Shrimati
 Kidwai, Shri
 Kirolkar, Shri
 Kottukappally, Shri
 Krishna Chandra, Shri
 Krishnamachari, Shri T. T.
 Kureel, Shri B. N.
 Kureel, Shri P. L.
 Lakshmayya, Shri
 Lal, Shri R. S.
 Lal Singh, Sardar
 Lallanji, Shri
 Laskar, Shri
 Lingam, Shri N. M.
 Lotan Ram, Shri
 Madiah Gowda, Shri
 Mahodaya, Shri
 Majhi, Shri R. C.
 Majithia, Sardar
 Malaviya, Shri K. D.
 Malliah, Shri U. S.
 Malviya, Shri B. N.
 Malviya, Pandit C. N.
 Malviya, Shri Motilal
 Mascarene, Kumari Annie
 Masoudi, Maulana
 Masuriya Din, Shri
 Matthen, Shri
 Mayo, Shrimati
 Mehta, Shri Balwant Sinha
 Mehta, Shri B. G.
 Minimata, Shrimati
 Mishra, Shri S. N.
 Mishra, Shri Bibhuti
 Mishra, Shri L. N.
 Mishra, Shri M. P.

Misra, Pandit Lingaraj
 Misra, Shri B. N.
 Misra, Shri R. D.
 Misra, Shri S. P.
 Mohd Akbar, Sofi
 Morarka, Shri
 More, Shri K. L.
 Mudaliar, Shri C. R.
 Musafir, Giani G. S.
 Muthukrishnan, Shri
 Nair, Shri C. K.
 Nanda, Shri
 Narasimhan, Shri C. R.
 Natawadkar, Shri
 Nathwani, Shri N. P.
 Nehru, Shri Jawaharlal
 Nijalingappa, Shri
 Palchoudhury, Shrimati Ila
 Pande, Shri C. D.
 Pannalal, Shri
 Pant, Shri D. D.
 Paragi Lal, Ch.
 Parekh, Dr. J. N.
 Parikh, Shri S. G.
 Parmar, Shri R. B.
 Pataskar, Shri
 Patel, Shri B. K.
 Patel, Shri Rajeshwar
 Patel, Shrimati Maniben
 Pathriker, Dr.
 Patil, Shri Kanavade
 Patil, Shri Shankargauda
 Pawar, Shri V. P.
 Pillai, Shri Thanu
 Prabhakar, Shri Naval
 Prasad, Shri H. S.
 Radha Raman, Shri
 Raghubir Singh, Ch.
 Raghunath Singh, Shri
 Raghuramiah, Shri
 Rahman, Shri M. H.
 Raj Bahadur, Shri
 Ram Dass, Shri
 Ram Saran, Shri
 Ram Subhag Singh, Dr.
 Ramanand Shastri, Swami
 Ramaseshaiah, Shri
 Ramaswamy, Shri S. V.
 Ranbir Singh, Ch.
 Rane, Shri
 Ranjit Singh, Shri
 Rao, Diwan Raghavendra
 Rao, Shri Seshagiri
 Reddy, Shri Viswanatha
 Roy, Shri Bishwa Nath
 Sahaya, Shri Syamnandan
 Sahu, Shri Bhagbat
 Sahu, Shri Rameshwar
 Saigal, Sardar A. S.
 Saksena, Shri Mohanlal
 Sanganna, Shri
 Senkarapandian, Shri

Satish Chandra, Shri
 Satyawadi, Dr.
 Sen, Shrimati Sushama
 Sewal, Shri A. R.
 Shah, Shri C. C.
 Shah, Shri R. N.
 Sharma, Pandit Balkrishna
 Sharma, Pandit K. C.
 Sharma, Shri D. C.
 Sharma, Shri K. R.
 Sharma, Shri R. C.
 Shobha Ram, Shri
 Shukla, Pandit B.
 Siddananjappa, Shri
 Singh, Shri D. N.
 Singh, Shri Babunath
 Singh, Shri L. Jogeswar
 Singh, Shri M. N.
 Singh, Shri T. N.
 Singhal, Shri S. C.
 Sinha, Dr. S. N.
 Sinha, Shri A. P.
 Sinha, Shri Anrudha
 Sinha, Shri G. P.
 Sinha, Shri Jhulan
 Sinha, Shri K. P.
 Sinha, Shri Nageshwar Prasad
 Sinha, Shri Satya Narayan
 Sinha, Shri Satyendra Narayan
 Sinha, Shrimati Tarkeshwari
 Snatak, Shri
 Sodhia, Shri K. C.
 Somana, Shri N.
 Somani, Shri G. D.
 Subrahmanyam, Shri T.
 Sunder Lal, Shri
 Suriya Prasad, Shri
 Syed Mahmud, Dr.
 Tandon, Shri
 Tek Chand, Shri
 Telkikar, Shri
 Tewari, Sardar R. B. S.
 Thimmaiah, Shri
 Thomas, Shri A. M.
 Tivary, Shri V. N.
 Tiwari, Pandit B. L.
 Tiwari, Shri R. S.
 Tiwari, Pandit D. N.
 Tripathi, Shri H. V.
 Tripathi, Shri K. P.
 Tripathi, Shri V. D.
 Ulkey, Shri
 Upadhyay, Pandit Munishwar Datt
 Upadhyay, Shri Shiva Dayal
 Upadhyay, Shri S. D.
 Vaishnav, Shri H. G.
 Vaishya, Shri M. B.
 Varma, Shri B. B.
 Varma, Shri B. R.
 Verma, Shri M. L.
 Velayudhan, Shri
 Venkateraman, Shri

Vidyalankar, Shri A. N.
Vishwanath Prasad, Shri

Vyas, Shri Radhe Lal
Wilson, Shri J. N.

Zaldi, Col.

NOES

Amjad Ali, Shri
Chatterjee, Shri Tushar
Chatterjee, Shri N. C.
Chaudhuri, Shri T. K.
Chowdhury, Shri N. B.
Das, Shri Sarangadhar
Dasaratha Deb, Shri
Deo, Shri R. N. S.
Deshpande, Shri V. G.
Gadilingana Gowd, Shri
Gidwani, Shri

Gupte, Shri Sadhan
Gurupadaswamy, Shri M. S.
Krishnaswami, Dr.
Mehta, Shri Asoka
Missir, Shri V.
Mukerjee, Shri H. N.
Mushar, Shri
Nambiar, Shri
Nayar, Shri V. P.
Pandey, Dr. Natabar
Raghavachari, Shri

Ramasami, Shri M. D.
Ramnarayan Singh, Baba
Randaman Singh, Shri.
Rao, Dr. Rama
Rao, Shri Gopala
Rao, Shri T. B. Vittal
Reddi, Shri Madhac
Singh, Shri R. N.
Swami, Shri Sivamurthi
Verma, Shri Ramji
Waghmare, Shri

The motion was adopted.

Mr. Deputy-Speaker: The motion is carried by a majority of the total membership of the House and by a majority of not less than two-third of the members present and voting.

Clause 2.—(Amendment of the Seventh Schedule)

Dr. Krishnaswami (Kancheepuram): I beg to move:

(i) In page 1, for clause 2, substitute:

"2. Amendment of Article 369.—

(1) In Article 369 of the Constitution for the words 'five years' the words 'ten years' be substituted.

(2) For clause (a) of Article 369, the following clause be substituted, namely:—

'(a) trade and commerce in, and the production, supply and distribution of foodstuffs (including edible oilseeds and oils), cattle fodder (including oilcakes and other concentrates), raw cotton (whether ginned or unginned and cotton seed) and raw jute.'

(ii) In page 1, for clause 2, substitute:

"2. Amendment of Article 369.—

In Article 369 of the Constitution, for the words 'five years' the words 'ten years' shall be substituted."

(iii) In page 1, for clause 2, substitute:

"2. Amendment of the Seventh Schedule.—In the Seventh Schedule to the Constitution, to entry 33 of List III, the following proviso shall

be added, namely:—

'Provided that up to the 25th of January, 1960 this entry shall read as follows:—

"33. Trade and commerce in, and the production, supply and distribution of,—

(a) the products of any industry where its control by the Union is declared by Parliament by law to be expedient in the public interest, and imported goods of the same kind as such products;

(b) foodstuffs, including edible oilseeds and oils;

(c) cattle fodder, including oilcakes and other concentrates;

(d) raw cotton, whether ginned or unginned, and cotton seed; and

(e) raw jute.'"

Shri Raghavachari: I beg to move:

In page 1, line 8, omit "the production".

Shri Sivamurthi Swami (Kushtagi): I beg to move:

In page 1, omit lines 14 to 18.

Shri N. B. Chowdhury (Ghatal): I beg to move:

(i) In page 1, line 19, add at the end:

"provided the growers are assured of the minimum economic price."

(ii) In page 1, after line 19, add

"Provided that all laws made by the Parliament in respect of items (b), (c), (d) and (e) herein shall

[Shri N. B. Chowdhury]
not remain in force for a period exceeding two years unless further extension and continuance are recommended by the resolution passed by the Legislatures of the majority of Part A and Part B States and upon such recommendation the law shall remain in force for such further period as recommended therein."

Dr. Krishnaswami: I beg to move:

In page 1, line 5, (i) before "In the Seventh Schedule" insert "(1)"; and (ii) after line 19, add:

"(2) This amendment shall have effect for a period of five years from the date of commencement of this Act."

Mr. Deputy-Speaker: Amendments moved:

(1) In page 1, for clause 2, substitute:

"2. Amendment of Article 369.—

(1) In Article 369 of the Constitution for the words "five years" the words "ten years" be substituted.

(2) For clause (a) of Article 369, the following clause be substituted, namely:—

"(a) trade and commerce in, and the production, supply and distribution of foodstuffs (including edible oilseeds and oils), cattle fodder (including oilcakes and other concentrates), raw cotton (whether ginned or unginned and cotton seed) and raw jute."

(2) In page 1, for clause 2, substitute:

"2. Amendment of Article 369.— In Article 369 of the Constitution, for the words 'five years' the words 'ten years' shall be substituted."

(3) In page 1, for clause 2, substitute:

"2. Amendment of the Seventh Schedule.—In the Seventh Schedule to the Constitution, to entry 33 of List III, the following proviso shall be added, namely:—

"Provided that up to the 25th of January, 1960 this entry shall read as follows:—

"33. Trade and commerce in, and the production, supply and distribution of,—

(a) the products of any industry where its control by the Union is declared by Parliament by law to be expedient in the public interest, and imported goods of the same kind as such products;

(b) foodstuffs, including edible oilseeds and oils;

(c) cattle fodder, including oilcakes and other concentrates;

(d) raw cotton, whether ginned or unginned, and cotton seed; and

(e) raw jute."'"

(4) In page 1, line 8, omit "the production".

(5) In page 1, omit lines 14 to 18.

(6) In page 1, line 19, add at the end:

"provided the growers are assured of the minimum economic price".

(7) In page 1, after line 19, add:

"Provided that all laws made by the Parliament in respect of items (b), (c), (d) and (e) herein shall not remain in force for a period exceeding two years unless further extension and continuance are recommended by the resolution passed by the Legislatures of the majority of Part A and Part B States and upon such recommendation the law shall remain in force for such further period as recommended therein."

(8) In page 1, line 5, (i) before "In the Seventh Schedule" insert "(1)"; and (ii) after line 19, add:

"(2) This amendment shall have effect for a period of five years from the date of commencement of this Act."

[Mr. Deputy-Speaker]

Discussion will proceed both on the amendments and also on the clause.

Shri N. C. Chatterjee (Hooghly): I am asking this House seriously to consider whether it is proper to confer permanent power of legislation in favour of the Parliament. I was amazed when one of the hon. Members from the opposite benches said that we were paying scant respect to the wisdom of the Constitution-makers. I maintain we do nothing of that kind. As a matter of fact those who are suggesting today that the power should be permanently taken are not paying adequate respect to the corporate wisdom of the makers of the Constitution. Under entry 33 of List III, there are certain subjects given in the Concurrent List. The scheme of our Constitution is that under article 245 and so on, there is a careful distribution of powers and in that distribution of powers we have conferred certain exclusive legislative competence to the State Legislatures. We have also added that this Parliament should not trespass on that exclusive legislative ambit of the State Legislatures. Under that exclusive legislative list, that is List II, the Constitution-makers had clearly provided that certain subjects should not be trespassed upon by the Union Parliament and they had also said that only to the extent of the power exercised under entry 33 in the Concurrent List, that power can be interfered with.

Entry 33 of List III says "Trade and commerce in, and the production, supply and distribution of, the products of industries where the control of such industries by the Union is declared by Parliament by law to be expedient in the public interest." In order to make the distribution of powers effective and yet to maintain Union control for some period, the Constituent Assembly said that during the transition period, Parliament should have power to legislate over certain specified commodities—essential commodities like cotton and woollen textiles, paper, coal, iron,

steel and certain other things. I say that the onus is very heavy on those who want to interfere with that article, that is, article 369, and say that that power should be permanently appropriated by this Parliament. The burden of proof is on them to make out a strong case as to why that period of transition should be extended. Let us look at that article. That article is, as you know, in Part XXI—Temporary and Transitional Provisions and it says—

"Notwithstanding anything in this Constitution, Parliament shall, during a period of five years from the commencement of this Constitution, have power to make laws with respect to the following matters as if they were enumerated in the Concurrent List, namely:—

(a) trade and commerce within a State in, and the production, supply and distribution of, cotton and woollen textiles...."

Our Constitution-makers knew exactly what was the position, knew also that planning was coming ahead, knew also the necessities for Central planning and were fully cognizant of the position. They had in their corporate wisdom said that "We shall give this Parliament power of legislation in respect of these subjects but it shall be a temporary power during the transitional period and shall be limited to a period of five years." What justification is there and what grounds have been put forward to make that power permanent? If you say that the transitional period was a short one and experience has shown that there should be an extension of that period, we maintain that you would be making a rational and objective approach if you are asking the States, the Parliament and the country to appreciate the position. If the Government really needs that power to be extended for another period then confine it for a total period of ten years and stop there.

You have not made out any case. I maintain that no argument has really been put forward to show that this power should be permanently extended so as to make Parliament practically the competent authority to legislate over this field. The argument of planning was there in 1948, 1949, and 1950 when the Constitution was framed. The argument in respect of foodstuffs was there and we had the famine and scarcity. But we are assured by competent authority that the position in respect of food has altered for the better. If it has altered for the better, there is no justification in respect of foodstuffs for extending this power indefinitely. I maintain that there is absolutely no justification and no grounds have been put forward for this indefinite extension and the burden of proof is on those who want to tamper with the basic principle of the Constitution. The basic principle is this, namely, that it should be in the transitional period and should remain as a temporary provision. It was made a temporary provision for better control of production, supply and distribution of certain articles during a transitional period of five years and Parliament has been given concurrent power of legislation as regards these matters specified in clauses (a) and (b) of article 369.

The present article affects a number of entries in the State List, that is, the exclusive State List; in relation to the commodities specified in clause (a), entries 26, 27, 64, 65 and 66 of List II are being interfered with. Will it be right to say that we shall give the States autonomy, at the same time practically taking away vital power from the States? I was really sorry when I heard that the hon. Minister had said something about our remarks in the minute of dissent with regard to the 'occupied field'. I am sorry that the hon. Minister has rushed into a field where constitutional lawyers fear to tread. You know that our Constitution, to some extent, has been modelled on the Canadian Constitution. I am reading from the latest

authority—Laski's *Canadian Constitution Law*—and the position is perfectly clear:

"if paramountcy means only that where, in the view of the courts, valid provincial legislation and valid Dominion legislation cannot stand together, the latter must prevail; or, regarded from another standpoint, provincial legislation which would otherwise be valid is precluded where the Dominion has 'occupied the field'."

The position is that if Parliament occupies this field, concurrent field, then the State legislation cannot at all operate.....

Shri A. M. Thomas (Ernakulam): Only to the extent of repugnancy.

Shri N. C. Chatterjee: Certainly to the extent of repugnancy and it cannot be otherwise, because if there is no repugnancy, both the laws can operate.

3 P.M.

If you actually exercise your legislative power as Parliament in respect of certain items put down in the Concurrent List, then automatically the State legislature is deprived of its power or even if there is already any existing provincial legislation operating in that area, then that would be inoperative and it would be kept in abeyance. It will become invalid and it will not at all be subsisting as a law. It has already been pointed out that although the Dominion Parliament has no authority conferred upon it to repeal any provincial statute, but still, if there is any conflict between the Dominion legislation and State legislation, then the Dominion legislation shall prevail.

There is no use making any comment about it. Section 6 is perfectly clear and it says that it shall be void to the extent of repugnancy. Article 254 reads:

"If any provision of a law made by the Legislature of a State is repugnant to any provision of a

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law made by Parliament which Parliament is competent to enact, or to any provision of an existing law with respect to one of the matters enumerated in the Concurrent List, then, subject to the provisions of clause (2), the law made by Parliament, whether passed before or after the law made by the Legislature of such State, or, as the case may be, the existing law, shall prevail and the law made by the Legislature of the State shall, to the extent of the repugnancy, be void."

Therefore, our article 254 makes it perfectly clear that in case of any conflict between Union law and the State law, the State legislation must be void. It will be completely inoperative and it will not be subsisting.

What I am pointing out is that this legislation is not good nor desirable. The Concurrent List does not mean a contingent list; concurrent power does not mean contingent power. They are taking the power; they are themselves saying that it is vital and they want it in the interests of the country; they think that Parliament should have the power for the purpose of enacting legislation. You are wanting power for the purpose of exercising the power and immediately you exercise the power, the Parliament legislates on that field and that law operates in that field, immediately *pro tanto* the State legislation will be inoperative and the ambit of State authority is restricted. Is there any justification for saying today that we shall make a radical departure from the Constitution-makers. They have deliberately conferred powers on the State legislatures and given them exclusive power and said that Parliament, although it is sovereign in many respects, will have no power or authority and no competence to legislate in respect of those matters. But now you are really saying although that power is confined up to 25th January 1955, we shall remove these words "before up to 25th January 1955" "We

shall arrogate to ourselves completely that power." I am submitting that you will be deluding the public and you will be deluding the country by saying: I am putting it in the Concurrent List and therefore, I am sharing the power. This theory of sharing power is absolutely illusory. There is no question of sharing power or there can be no question of really participating both in this field or joint power for both, if you legislate automatically the other State legislatures become *functus officio*; they cannot legislate in that field. Therefore, there is no question of sharing power. On the other hand, we had urged: have faith in the States; give them also a chance. If you honestly believe that the interests of India demands that there should be an overall Central control in respect of certain commodities for a length of time, have the power by all means. It is not that we are taking an irrational view or merely making an academic approach to the question. I am charging the sponsors of this Bill because they say that we should deprive the States of this power permanently and perpetually and put it in the Concurrent List for the purpose of exercising that power.

[MR. SPEAKER in the Chair]

You know that the Concurrent List gives you certain powers. These powers have been exercised when under article 369 the Constitution gave you the power, you had exercised that power effectively and you have practically occupied the field. You have covered the field and you have left nothing uncovered the field. Therefore, when you take power and you say we want to exercise that power, that means nothing will be left for the States. Is it right to do so? Is it proper to do so? Is it necessary and essential; is it in the interests of the nation to take away those powers from the States? What will be left to the States? You can point out: there are these powers; there is the burial ground, cremation ground; and also prisoners detained under the Preventive Detention Act is there and so

on and so forth. I am pointing out that it is not right to treat a Constitution in that spirit of levity. I am charging that those who are wanting to make this radical departure, this fundamental change in the Constitution, are treating this Constitution as if it is a Cattle Trespass Act, as if it is Dr. Katju's Preventive Detention Act which ought to be amended every year. You bring an annual amending Bill of this Constitution; you treat this as an annual feature of your parliamentary enterprise. That is not the proper approach.

What we are saying is this. The Constitution-makers have deliberately and consciously given you the power for five years in respect of certain commodities and they have put it in the Concurrent List. Thereafter the State list and State Legislation will operate and the State legislatures will function fully. I am saying that you should not enlarge the ambit of that Concurrent List so as to arrogate this power. It is this concentration of power which is not desirable and that leads to totalitarian tendency. I do not want any Parliament, any Government in this country, especially the Central Government, to have totalitarian power which will really pulverise the State effectively.

Look at the psychological effect. You cannot carry all the States with you. All the States have not supported; some are opposed to it. It is desirable to take the States with you. Some State Governments have said: we still want to consider the matter. Some State Governments have asked: why are you doing it; we shall co-operate fully with you if you lay down a policy. Is it not a way out?.....

An Hon. Member: What has your State done?

Shri N. C. Chatterjee: I am speaking as a citizen of the Indian Republic and I am not taking a party view or a parochial or a provincial view. I am not speaking as a Bengali or a Calcutta citizen or a representative of the district of Hooghly or a man of Chandernagore. I am now talking as

an Indian, not even as a Hindu but as an Indian and as a citizen of the Indian Republic and I am pointing out that what you are doing is really trampling under your feet the rights of the State legislatures because you think you have a temporary majority. You want to do something which will knock out the State autonomy. You are creating altogether an undesirable psychological effect on the State Governments. What will be left to them? Very small.....

Shri Kidwai: They are happy.

Shri N. C. Chatterjee: They will be most unhappy after you pass this kind of law. Even today you have not got the majority of the States with you. I may really ask you: who will profit by putting this in the Concurrent List? It is not because you feel that it is necessary; nor because you feel that it is desirable; nor even because you are convinced that national interests demand it but because you temporarily happen to have a two-thirds majority and so you think it is much better to change the Constitution in the present regime so that this monopoly of power can continue. But this will recoil on you. This may act as a boomerang. It is not desirable to arrogate power in this way. I am submitting that the States are not really happy. You have not been able to get perfect co-ordination among the States by exercising the powers that you have. It will not be desirable to have this power permanently and to say that "I will exercise this power for all times to come." Remember, this power is being taken as recommended by this Committee—the Commodity Controls Committee—which happens to be appointed by the hon. Minister. That report has made a wonderful recommendation; it went to the length of suggesting that entries 26 and 27 in list 2—that is, the State list—should be permanently removed to list 3—that is, the Concurrent List. We have to point out that that among these hon. gentlemen—practically all of them—are Deputy Secretaries or Joint Secretaries or prospective Deputy Secretaries and even when one gen-

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tieman went away to England an Economic Adviser of the Ministry of Food, was appointed in his place—there was not a single representative of the State Government. This is unfair. We point out that you have deliberately packed the Committee in such a way that a natural bias will be there in favour of the concentration of power, in favour of the Centre. In their corporate wisdom the Deputy Secretaries said that Entries 26 and 27 of the State List should be transferred to the Concurrent List, and transferred permanently. That was too much. With great respect, it was an absurd recommendation, too ridiculous to be accepted by anybody, and even this Government did not think it fit to accept it, and therefore they are coming forward and saying that a new entry like the proposed item 83 should be acceptable so as to practically incorporate all these in the Concurrent List.

All that I am saying is: give us the grounds, real, cogent, solid grounds to show that you want this power for maintaining overall Central control in respect of certain commodities.

And for how long? For heaven's sake tell us for how long. We are talking of planning. But you will not have a Planning Commission indefinitely going. The first Five Year Plan is going on. The second Five Year Plan has started. If you cannot do planning in ten years, it is no good having a Planning Commission for years, period after period, decade after decade. Take power for ten years. Use it wisely and in a sagacious manner and see what happens. At the end of ten years the face of the country would have changed and then we shall know how the States stand, and the States will be really in a position to judge as to how these things should be developed. We are also very anxious that the State economy should also progressively develop and we think it is vital that the States should be given substantial legislative power to build up their economy. Only pressure from the top will not really help them to progress in a national manner. There-

fore it is much better to have willingness, co-ordination, co-operation rather than this monopolistic, totalitarian, dictatorial approach to this problem.

I am commending my amendment to the consideration of my hon. friend, that the power should be taken only for ten years from the commencement of the Constitution and it should be made a transitional or transitory and not a permanent feature of the Constitution.

Shri Pataskar (Jalgaon): May I rise to a point of order? Amendment No. 1 which was the subject-matter of the main argument advanced by Mr. Chatterjee is like this:

"In article 369 of the Constitution for the words 'five years' the words 'ten years' be substituted."

Now, before I advance any arguments I will first draw your attention to the fact that the whole of the body of the Constitution, including the last article, article 368 which relates to the amendment of the Constitution, was completed with Part XX which contains article 368. After having framed the whole of the Constitution, after having provided also for the amendment of the Constitution and the way in which it was to be done, naturally, as there was to be a period of transition in view of the fact that some time would elapse before the whole Constitution could be brought into effect, some temporary and transitional provisions were made. And they are contained in this Part XXI.

Article 369 herefore was a temporary and transitional provision, and it says "Notwithstanding anything in this Constitution etc." That is why all these transitory provisions are like this, that whatever has been stated in the Constitution we will lay down for a certain period, either for a definite period or for some period which may be extended, "notwithstanding anything in this Constitution, Parliament shall, during a period of five years from the commencement of this Constitution, have power to

make laws with respect to the following matters etc."

So this power was given by the Constitution to the Parliament only for a period of five years and the Constitution-makers were definite about it. It will not therefore be proper or consistent with the principles of the Constitution that we should now go on trying to amend it under an authority which is given for amending the Constitution itself. What I mean is it would exhaust itself by the period which is definitely laid down in the Constitution itself.

I would draw your attention to article 371 in support of what I have been pleading. For instance, there they thought that "notwithstanding anything in this Constitution, during a period of ten years from the commencement thereof, or during such longer or shorter period as Parliament may by law provide in respect of any State etc." That is a temporary provision with respect to States in Part B of the Schedule. There they thought at that time that a period of five years may not be enough and therefore they made a provision in article 371 "during a period of ten years from the commencement of the Constitution or during such longer or shorter period as Parliament may by law provide".

Therefore, I think my hon. friend Mr. Chatterjee would also realise that it is not proper, nor will it be constitutional for anybody, under the powers given for amending the Constitution in article 368, to go on amending the transitional powers. It would be open to Government—whether it is right or wrong is a different matter, I am not on that point—but suppose in respect of foodstuffs or some other commodities they wanted to do it, they can only do so by amending the Constitution and the different Schedules; that is the way it is now sought to be done. You cannot utilise the provision for amending the Constitution for making perpetual a transitory provision or increase the period from five years to ten years. So, apart from the

merits of the case, I think this amendment which seeks to extend the period from five years to ten years is not proper.

In other words, my submission is that these temporary powers—and there are similar powers given in article 370 with respect to the State of Jammu and Kashmir, and there are other provisions—they exhaust themselves during the period, whatever period has been allowed by the Constitution-makers.

Therefore, in the first place, my submission would be that the amendment is not constitutional really, and secondly, look at the whole scheme of the Constitution Act. The Constitution-makers gave this Constitution to the country. And, after having done that they made this provision also for amending the Constitution (article 368). And then they made certain transitional provisions which were to remain in force only for a definite period or for some other period.

So, apart from the merits of the question and how it can be done, I think it is unconstitutional and inconsistent with the very principles and the basis of the Constitution which has been framed. And I think it would be very improper that any Parliament whatsoever should try to perpetuate transitional powers by amending provisions which were given to them only for a limited period and for a limited purpose.

Mr. Speaker: I have not been able quite to appreciate and follow the point of order made by the hon. Member. The period for which the transitional provisions have been made is not yet over, and I find that this Part XXI itself gives different periods for different subjects. This Part is equally a part of the Constitution. Suppose the Parliament wants, the House wants to extend the transition period itself, could it not amend any of these provisions by prolonging the period? It is our Constitution today, as it is. If five years had passed and then the amendment had come, matters would

[Mr. Speaker]

have stood differently. I am unable to appreciate the point.

Shri Pataskar: My submission is wherever they wanted that there should be some variation even in the period for which the transitional provisions were made, just as in article 371, they made it clear. Suppose it was open to Parliament automatically to extend the period, there was no reason why they should have specifically put in the words "notwithstanding anything in this Constitution, during a period of ten years from the commencement thereof, or during such longer or shorter period as Parliament may by law provide."

That clearly gives the basis on which it is modelled. It may be therefore that they thought of that also. They never thought that the power which was given only temporarily should be used for amending the Constitution only for a limited period. That is all I have to say.

Shri Venkataraman: I think the amendment is out of order according to our Rules of Procedure and Conduct of Business. You will kindly look at Rule 117 clause 1, which says:

"An amendment shall be within the scope of the Bill....."

The scope of the Bill is to amend entry 33 in List III. Amendment of article 369 is not within the scope of this Bill and therefore, it may not be in order.

Shri T. T. Krishnamachari: May I make a submission? I think the main question may be decided unless the Chair feels very strongly, because the point of order is a border line point. My submission is that the Chair, if it feels like that, might not allow a border line point to go through. I know my hon. friends have got a case.

Mr. Speaker: My own inclination has been that the point of order does not seem to be very sound. If at all I am committing a mistake in respect of that. I entirely agree with the hon. Minister that we should not err on the side of holding the amendment to

be in order rather than put it out, at this stage. I need not now discuss that after having expressed an opinion. I think, so long as the temporary period is not over, any provision in Part XXI is equally a part of the Constitution which we are observing today. Would it not be possible, for example, under article 371 to say that instead of ten years, let the period be twenty years? The provision "Notwithstanding anything in this Constitution, during a period of ten years from the commencement thereof, or during such longer or shorter period....." is there. That means, it is competent to prolong that period.

Shri Pataskar: There is specific provision for that.

Pandit K. C. Sharma (Meerut Distt.—South): Article 369 says five years. It means, transitional for a period of five years.

Mr. Speaker: Transitional provision is a part of the Constitution. Is it contended that that part today is a dead letter?

Some Hon. Members: No.

Mr. Speaker: It cannot be contended that way. That is a part of the Constitution today. Then, any hon. Member certainly has a right to suggest that that period should be prolonged or even to suggest that it should be shorter. In this case, a shortening would not be very much possible. Therefore, I think it is better to allow the amendment to go in rather than bar it on a technical ground like that.

Shri T. T. Krishnamachari: I am afraid, my hon. friend Shri N. C. Chatterjee is at a slight disadvantage in respect of this particular amendment as against the other Members of the House because, he has not been present during the discussion. He has been away most of the time. I am sorry that I have offended him in my remarks in respect of the dissenting minute because I see that he is the architect of the dissenting minute. These words like 'occupied field' and 'pulverised'

which he has taken great trouble to coin, attracted my attention. Very naturally that has provoked him into a performance of forensic fury of which legitimately the field is a court of law.

Shri A. M. Thomas: You do not give credit to Dr. Krishnaswami.

Shri T. T. Krishnamachari: I must tell hon. Members that, in spite of the fact that I know that I am treading on forbidden ground in criticising eminent lawyers, I have been a student of Constitutional law and I am reasonably well informed in regard to the Canadian Constitution. If he produces one book, I can produce seven or eight of them here. Unfortunately, an advantage that I possess is that I have read most of what I am quoting. (*Interruption*). I would like to refer my hon. friend to Dawson's book on the Government of Canada, page 100, where he says:

"The list of twenty-nine specific powers which were supposed to indicate the kind of exclusive authority vested in the Dominion includes the following:.....

.....Certain other sections of the Act add to this list, notably a subsection of section 92, which gives the Dominion jurisdiction over steamship lines, railways, canals, telegraphs, and other works extending beyond the limits of a province, and also over such works, even although wholly within a province declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces....."

Then, he goes on to say,

"Section 92 of the Act gives the chief provincial powers—not by any comprehensive grant, as in Section 91, but only as an exclusive power to make laws in relation to matters coming within sixteen enumerated classes of subjects."

I shall refer him to an older book,—this is what he has referred to—of

Lefroy. In his Book *Legislative Power in Canada*, in page 335, dealing with the legislative power of the Dominion he says that the decision of the Privy Council in the case of *Citizen's Insurance Co. V. Parsons*, following the other decisions cited in the notes show that in certain cases, local legislation, that is provincial legislation may indirectly render inoperative federal legislation and *vice versa*. The doctrine of occupied field as it is sought to be dragged here is not correct in the case of Canada as he has taken a chance quotation from one book on Canada.

My hon. friend Shri Venkataraman has drawn attention to the provision of article 254. Article 254 specifically refers to, where a particular provision of law is repugnant. Repugnancy comes in where a particular provision enacted by the Central legislature conflicts with a provision of law made by the provincial legislature. The question of occupied field is extremely limited even if we put a grammatical construction on that particular word. That is so far as criticism of occupied field.

So far as the other point is concerned, we have discussed it here threadbare on two occasions. I have replied to most of the arguments that he raised. I do not propose to weary the House by reply to those arguments. So far as this particular amendment is concerned, it is a trifle,—I do not say it is out of order—it is a trifle—if I may be pardoned for using that word because I cannot get another word now—uncouth. My hon. friend said in so many words that the transitory provisions, enumerating the subjects which fall under entry 33 of List III, sought to be incorporated in the Constitution, that would be ornate. My hon. friend is a lawyer who is very busy and I know he has not got the time to spare for the purpose of drafting, which we people can do at the time at our disposal. But, the purpose will not be served by accepting the amendment. There is a saying in my part of the country

[Shri T. T. Krishnamachari]

that after having listened all night to the exposition of Ramayana, somebody asked what is the relation between Rama and Sita. Not that my hon. friend does not know the relationship; he seeks to make out to the House that he does not know the relationship.

He asked, where have you proved the necessity. In that process, my hon. friend, eminent as he is in his own field, eminent as he is as a Member of Parliament, might have spared those officers of the Government who have prepared the report, in all decency, who have taken a lot of trouble about it. The fact that they are joint Secretaries or Deputy Secretaries or Economic Advisers did not count. But, they did know what their job is. They have no axe to grind. They do not want to please my party or Shri N. C. Chatterjee's party or any other party. I am prepared to take all the blame. The Government, the Treasury Benches here are prepared to take the entire blame on them. Why drag in somebody else who presented a factual picture of the situation? I think no case has been made out for limiting the powers for only five years.

Mr. Speaker: So, I will put the amendments to the House. The amendments will be, of course, passed or rejected by a simple majority. Then, I shall put the clauses and have voting by division.

The question is:

In page 1, for clause 2, substitute:

"2. Amendment of Article 369.—

(1) In Article 369 of the Constitution for the words "five years" the words "ten years" be substituted."

(2) For clause (a) of Article 369, the following clause be substituted, namely:—

"(a) trade and commerce in, and the production, supply and distribution of, foodstuffs (including edible oilseeds and oils), cattle fodder (including oilcakes and other concentrates), raw cotton

(whether ginned or unginned and cotton seed) and raw jute."

The motion was negatived.

Mr. Speaker: The question is:

In page 1, for clause 2, substitute:—

"2. Amendment of Article 369.— In Article 369 of the Constitution, for the words 'five years' the words 'ten years' shall be substituted".

The motion was negatived.

Mr. Speaker: The question is:

In page 1, for clause 2, substitute:

"2. Amendment of the Seventh Schedule.—In the Seventh Schedule to the Constitution, to entry 33 of List III, the following proviso shall be added, namely:—

'Provided that up to the 25th of January, 1960 this entry shall read as follows:—

"33. Trade and commerce in, and the production, supply and distribution of,—

(a) the products of any industry where its control by the Union is declared by Parliament by law to be expedient in the public interest, and imported goods of the same kind as such products;

(b) foodstuffs including edible oilseeds and oils;

(c) cattle fodder, including oilcakes and other concentrates;

(d) raw cotton, whether ginned or unginned, and cotton seed; and

(e) raw jute."'"

The motion was negatived.

Mr. Speaker: The question is:

In page 1, line 8, omit "the production".

The motion was negatived.

Mr. Speaker: The question is:

In page 1, omit lines 14 to 18.

The motion was negatived.

Mr. Speaker: The question is:

In page 1, line 19 add at the end:—

“provided the growers are assured of the minimum economic price”

The motion was negatived.

Mr. Speaker: The question is:

In page 1, after line 19, add:

“Provided that all laws made by the Parliament in respect of items (b), (c), (d) and (e) here-in shall not remain in force for a period exceeding two years unless further extension and continuance are recommended by the resolution passed by the Legislature of the majority of Part A and Part B States and upon such recommendation the law shall remain in force for such further period as recommended therein.”

The motion was negatived.

Mr. Speaker: The question is:

In page 1, line 5, (i) before “In the Seventh Schedule” insert “(1)”; and

(ii) after line 19, add:

“(2) This amendment shall have effect for a period of five years from the date of commencement of this Act.”

The motion was negatived.

Mr. Speaker: I now put to the House about clauses 1 and 2, the Enacting Formula and the Title. The House will now divide.

Division No. 5.]

Order, order. I have not yet ordered the division. I must wait for three minutes before I ask Members to go into the lobbies.

Order, order. I am putting the question to the House.

Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes): On a point of order, Sir, is it correct for any Member of the Council of States to be present here when we are having a division—any one who is not a Member of this House as such, for purposes of division? Is it right and proper that he should be present when we are dividing?

Mr. Speaker: Any Member of the Council of States?

Shri Jaipal Singh: Yes.

Mr. Speaker: He cannot be here.

Shri Jaipal Singh: Well, Sir, may I humbly suggest that there are, that there is one.

Mr. Speaker: The only point is that any Member of the Council of States who is a Minister has a right to be present in this House, though he has not the right to vote. The objection can be taken if such hon. Member taking advantage of his presence here, goes into the lobby.

Shri Jaipal Singh: I make a clarification. I am not objecting to the presence of people who should not be here, but I certainly think that the aura of their presence might have an effect on the division.

Mr. Speaker: Members are expected to be more strong-minded than that.

Now, I am putting this question.

The question is:

“That clauses 1 and 2, the Title and the Enacting Formula stand part of the Bill.”

The Lok Sabha divided: Ayes 288; Noes 35.

[3-35 p. m.

AYES

Abdullahai, Mulla
Achal Singh, Seth
Achint Ram, Lala

Achuthan, Shri
Agarwal, Shri S. N.
Agarwal, Shri H. L.

Agarwal, Shri M. L.
Alegesan, Shri
Altekar, Shri

Alva, Shri Joachim
 Amin, Dr.
 Amrit Kaur, Rajkumari
 Ansari, Dr.
 Asthana, Shri
 Ayyangar, Shri M. A.
 Azad, Maulana
 Azad, Shri Bhagwat Jha
 Balasubramanian, Shri
 Baldev Singh, Sardar
 Balmiki, Shri
 Bansal, Shri
 Barman, Shri
 Barrow, Shri
 Barupal, Shri P. L.
 Basappa, Shri
 Bhakt Darshan, Shri
 Bhandari, Shri
 Bharati, Shri G. S.
 Bhargava, Pandit M. B.
 Bhargava, Pandit Thakur Dass
 Bhartiya, Shri S. R.
 Bhatkar, Shri
 Bhatt, Shri C.
 Bhawanji, Shri
 Bheekha Bhai, Shri
 Bhonsle, Shri J. K.
 Bidari, Shri
 Birbal Singh, Shri
 Borkar, Shri
 Bose, Shri P. C.
 Brajeshwar Prasad, Shri
 Chajliha, Shri
 Chandak, Shri
 Charak, Th. Lakshman Singh
 Chaturvedi, Shri
 Chaudhary, Shri G. L.
 Chaudhuri, Shri R. K.
 Chavda, Shri
 Chettiar, Shri Nagappa
 Chettiar, Shri T. S. A.
 Chinaria, Shri
 Choudhuri, Shri M. Shafiee
 Dabhi, Shri,
 Das, Dr. M. M.
 Das, Shri B.
 Das, Shri B. K.
 Das, Shri K. K.
 Das, Shri N. T.
 Das, Shri Ram Dhan
 Das, Shri Ramananda
 Das, Shri S. N.
 Datar, Shri
 Deb, Shri S. C.
 Desai, Shri K. K.
 Desai, Shri K. N.
 Deshmukh, Dr. P. S.
 Deshpande, Shri G. H.
 Dholakia, Shri
 Dhulekar, Shri
 Dhusiya, Shri
 Digambar, Singh, Shri
 Dube, Shri Mulchand

Dubey, Shri R. G.
 Dwivedi, Shri D. P.
 Dwivedi, Shri M. L.
 Eacharan, Shri I.
 Ebenezer, Dr.
 Fotedar, Pandit
 Gadgil, Shri
 Gandhi, Shri Feroze
 Gandhi, Shri M. M.
 Gandhi, Shri V. B.
 Ganga Devi, Shrimati
 Ganpati Ram, Shri
 Garg, Shri R. P.
 Ghose, Shri S. M.
 Ghulam Qader, Shri
 Gopi Ram, Shri
 Gounder, Shri K. P.
 Gounder, Shri K. S.
 Govind Das, Seth
 Guha, Shri A. C.
 Hari Mohan, Dr.
 Hazarika, Shri J. N.
 Hem Raj, Shri
 Hembrom, Shri
 Ibrahim, Shri
 Iyyunni, Shri C. R.
 Jagjivan Ram, Shri
 Jain, Shri A. P.
 Jain, Shri N. S.
 Jaipal Singh, Shri
 Jajware, Shri
 Jangde, Shri
 Jayashri, Shrimati
 Jena, Shri K. C.
 Jena, Shri Niranjan
 Jehtan, Shri
 Joshi, Shri Jethalal
 Joshi, Shri Krishnacharya
 Joshi, Shri Liladhar
 Joshi, Shri N. L.
 Joshi, Shrimati Subhadra
 Jwala Prasad, Shri
 Kajrolkar, Shri
 Kakkan, Shri
 Kale, Shrimati A.
 Kanungo, Shri
 Karmarkar, Shri
 Kasliwal, Shri
 Katham, Shri
 Katju, Dr.
 Kazmi, Shri
 Keshavnagar, Shri
 Keskar, Dr.
 Khedkar, Shri G. B.
 Khongmen, Shrimati
 Kidwai, Shri
 Kirolikar, Shri
 Kottukappally, Shri
 Krishna Chandra, Shri
 Krishnamachari, Shri T. T.
 Kureel, Shri B. N.
 Kureel, Shri P. L.

Lakshmayya, Shri
 Lal, Shri R. S.
 Lallanji, Shri
 Laskar, Shri
 Lingam, Shri N. M.
 Lotan Ram, Shri
 Madiah Gowda, Shri
 Mahodaya, Shri
 Majhi, Shri R. C.
 Majithia, Sardar
 Malaviya, Shri K. D.
 Malliah, Shri U. S.
 Malvia, Shri B. N.
 Malviya, Pandit C. N.
 Malviya, Shri Motilal
 Mascarene, Kumari Annie
 Masuodi, Maulana
 Masuriya Din, Shri
 Matthen, Shri
 Maydeo, Shrimati
 Mehta, Shri Balwant Sinha
 Mehta, Shri B. G.
 Minimata, Shrimati
 Mishra, Shri S.
 Mishra, Shri Bibhuti
 Mishra, Shri L. N.
 Mishra, Shri M. P.
 Misra, Pandit Lingaraj
 Misra, Shri B. N.
 Misra, Shri R. D.
 Misra, Shri S. P.
 Mohd. Akbar, Sofi
 Morarka, Shri
 More, Shri K. L.
 Mudaliar, Shri C. R.
 Musafir, Giani G. S.
 Muthukrishnan, Shri
 Nair, Shri C. K.
 Nanda, Shri
 Narasimhan, Shri C. R.
 Natavadar, Shri
 Nathwani, Shri N. P.
 Nehru, Shri Jawaharlal
 Nijalingappa, Shri
 Palchoudhury, Shrimati Ila
 Pande, Shri C. D.
 Pannalal, Shri
 Pant, Shri D. D.
 Paragi Lal, Ch.
 Parekh, Dr. J. N.
 Parikh, Shri S. G.
 Pataskar, Shri
 Patel, Shri B. K.
 Patel, Shri Rajeshwar
 Patel, Shrimati Maniben
 Pathrikar, Dr.
 Patil, Shri Kanavade
 Patil, Shri Shankargauda
 Pawar, Shri V. P.
 Pillai, Shri Thanu
 Prabhakar, Shri Naval

Radha Raman, Shri
 Raghubir Singh, Ch.
 Raghunath Singh, Shri
 Raghuramaiah, Shri
 Rahman, Shri M. H.
 Raj Bahadur, Shri
 Ram Dass, Shri
 Ram Saran, Shri
 Ram Subhag Singh, Dr.
 Ramanand Shastri, Swami
 Ramaswamy, Shri S. V.
 Ranbir Singh, Ch.
 Rane, Shri
 Rao, Diwan Raghavendra
 Reddy, Shri Viswanatha
 Richardson, Bishop
 Roy, Shri Bishwa Nath
 Rup Narain, Shri
 Sahaya, Shri Syamnandan
 Sahu, Shri Bhagbat
 Suhu, Shri Rameshwar
 Saigal, Sardar A. S.
 Saksena, Shri Mohanlal
 Sanganna, Shri
 Sankarapandian, Shri
 Satish Chandra, Shri
 Satyawadi, Dr.
 Sen, Shrimati Sushama
 Sewal, Shri A. R.
 Shah, Shri C. C.
 Shah, Shri R. N.
 Sharma, Pandit Balkrishna

Sharma, Pandit K. C.
 Sharma, Shri D. C.
 Sharma, Shri K. R.
 Sharma, Shri R. C.
 Shobha Ram, Shri
 Shukla, Pandit B.
 Siddananjappa, Shri
 Singh, Shri D. N.
 Singh, Shri Babunath
 Singh, Shri G. S.
 Singh, Shri L. Jogeswar
 Singh, Shri M. N.
 Singh, Shri T. N.
 Singhal, Shri S. C.
 Sinha, Dr. S. N.
 Sinha, Shri A. P.
 Sinha, Shri Anirudha
 Sinha, Shri G. P.
 Sinha, Shri Jhulan
 Sinha, Shri K. P.
 Sinha, Shri Nageshwar Prasad
 Sinha, Shri Satya Narayan
 Sinha, Shri Satyendra Narayan
 Sinha, Shrimati Tarkeshwari
 Snatak, Shri
 Sodhia, Shri K. C.
 Somana, Shri N.
 Subrahmanyam, Shri T.
 Suriya Prasad, Shri
 Syed Ahmed, Shri
 Syed Mahmud, Dr.

Tandon, Shri
 Tek Chand, Shri
 Telikar, Shri
 Tewari, Sardar R. B. S.
 Thimmaiah, Shri
 Thomas, Shri A. M.
 Tivary, Shri V. N.
 Tiwari, Pandit B. L.
 Tiwari, Shri R. S.
 Tiwary, Pandit D. N.
 Tripathi, Shri H. V.
 Tripathi, Shri K. P.
 Tripathi, Shri V. D.
 Tyagi, Shri
 Uikey, Shri
 Upadhyay, Pandit Munishwar Dutt
 Upadhyay, Shri Shiva Dayal
 Upadhyay, Shri S. D.
 Vaishnav, Shri H. G.
 Vaishya, Shri M. B.
 Varma, Shri B. B.
 Varma, Shri B. R.
 Verma, Shri M. L.
 Velayudhan, Shri
 Venkatraman, Shri
 Vidyalankar, Shri A. N.
 Vishwanath Prasad, Shri
 Vyas, Shri Radhelal
 Wilson, Shri J. N.
 Zaidi, Col.

NOES

Amjad Ali, Shri
 Chatterjee, Shri Tuskar
 Chatterjee, Shri N. C.
 Chaudhuri, Shri T. K.
 Chowdhury, Shri N. B.
 Das, Shri Sarangadhar
 Dasaratha Deb, Shri
 Deo, Shri R. N. S.
 Deshpande, Shri V. G.
 Gadilingana Gowd, Shri
 Gidwani, Shri
 Gupta, Shri Sadhan

Gurupadaswamy, Shri M. S.
 Jayaraman, Shri
 Jena, Shri Lakshmidhar
 Krishnaswami, Dr.
 Mehta, Shri Asoka
 Missir, Shri V.
 Mukerjee, Shri H. N.
 Mushar, Shri
 Nambiar, Shri
 Nayar, Shri V. P.
 Pandey, Dr. Natabar
 Raghavachari, Shri

Rajabhoj, Shri P. M.
 Ramasami, Shri M. D.
 Ramnarayan Singh, Babu
 Randaman Singh, Shri
 Rao, Dr. Rama
 Rao, Shri T. B. Vittal
 Reddi, Shri Madhao
 Rishang Keishang, Shri
 Swami, Shri Sivamurthi
 Verma, Shri Ramji
 Waghmare, Shri

The motion was adopted.

Mr. Speaker: The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

Clauses 1 and 2, the Title and the Enacting Formula were added to the Bill.

Shri T. T. Krishnamachari: I beg to move:

"That the Bill be passed."

Mr. Speaker: Motion moved:

"That the Bill be passed."

I would invite the attention of the Members to the fact that we are behind the schedule by a lot of time. The third reading ought to have commenced at 3-40 P.M. So we are late by ten minutes. How shall we adjust now? Only twenty minutes are left now for the third reading.

That is what it comes to, but we shall, say, give about five or ten minutes at the most and I do not think the Minister will be replying again—I believe the same points will be recurring,—unless there is anything new. So we will have ten minutes for the third reading now and adjust the timings accordingly.

Shri H. N. Mukerjee (Calcutta North-East): I am sorry, Sir, that in spite of the very temperately and cogently presented point of view of the Opposition,.....

Mr. Speaker: Order, order.

Shri H. N. Mukerjee:.....in spite of the unanimous point of view of the Opposition, the solid phalanx of the ruling party has been requisitioned to overcome that point of view and in a little while we shall pass the Constitution (Third Amendment) Bill. I do not quarrel with the Minister. I do not ask for his professedly devoted head on a charger, because he has asked the House to permit an amendment to the Constitution. If I had my way, I would overturn this Constitution. That is not my grouse. But what I feel is that when we are changing the Constitution not in a basic direction, we at least have to take note of certain proprieties, we have to observe certain criteria. And on this occasion, there is no doubt about it, when the rights of the States have been encroached upon.

As far as I am concerned, I would like to have two criteria in regard to the amendment of the Constitution, quite apart from my own point of view that this Constitution needs a very drastic overhaul. We should find out, what exactly did the Constitution-makers want, as far as we can discover it. Then, we should also try to ascertain what was good for the country. As far as what the Constitution-makers wanted is concerned, the history of the Constituent Assembly is there. It goes back to just a few years. In 1946, the Prime Minister—who, I am sorry to say, is not here,—moved an objectives resolu-

tion, where the total experience of the national movement was sought to be summarised, and there the idea was that the residual power in the state would be vested in the Provinces or the States. Later, in 1947, because of certain circumstances, it was decided to change that point of view, and it was thought better that the Centre should be invested with a certain over-riding authority. That was what was done, but the total experience of the national movement was in favour of the allocation to the States of a rightful share of authority. I am not going into the constitutional details regarding which Constitution we have tried to follow, the American or the Australian or the Canadian or the South African, and so on and so forth. But we have tried to vest certain rights in the States, and at the same time, to clothe the Centre with some effective authority.

The Centre still has got those powers. There are in the Constitution so many provisions. Our Constitution enables the Union to issue administrative directions upon the States, and to supersede a State Government in case it refuses to carry out any of these directions. The Constitution also enables the Union to assume the power of State Governments in case of emergencies. But we do not normally consider that to be necessary. We do not invoke that kind of thing. What we want is that there should be real co-ordination of effort between the Centre and the States. But as a result of this amendment, the net result on the working of the States would be that they would lose real initiative in matters appertaining to such important things as are scheduled in the amendment which we have just passed. That being so, I feel it is going against the entire tradition of our national movement.

We have in this country such a vivid and vital and powerful movement for linguistic provinces. Why is it so? It is so because the idea is

[Shri H. N. Mukerjee]

that there are certain regions of our country which are demarcated according to certain well-delineated principles, and that the administration of those provinces can only be conducted properly by people who are on the spot, and who are conversant with the problems which agitate that particular demarcated region. That being so, the States have a very important role to play. But by this kind of legislation, by this amendment of the Constitution, we are low-lighting the character of the States, and that, I beg to say, is a calamity. I have found this sort of thing from time to time, as in the case of my State, namely, West Bengal—I hope the House will admit that I am no chauvinist, as far as regional patriotism is concerned; perhaps, even I am not a very good Bengali, but that is a very different aspect of the matter. But I have seen that in West Bengal, there was this idea of the Durgapur Coke Oven Plant, and something has happened. I do not know the exact details. The hon. Minister will perhaps correct me, but anyhow, something has happened, which is leading to a great deal of agitation in the minds of West Bengal. I find also the other day the hon. Minister.....

Shri T. T. Krishnamachari: I would like to tell the hon. Member that nothing has happened.

Shri H. N. Mukerjee: My point, however, is that there is a lot of feeling in West Bengal over this issue. I do not know the facts of the situation, which may very well justify the attitude of the Minister. The other day also, the Minister chose to make certain remarks which were possibly very well warranted, about sago and tapioca, and all that kind of thing. It has led to a great deal of furore in West Bengal—for good reason or bad reason, I do not know. But it indicates that between the Centre and the States, there should be harmony, there should be co-ordination of effort, and that is a principle which we should not attack in any way even in a remote fashion.

4 P.M.

You know the proverb says: 'You can take a horse to the water, but you cannot make it drink'. If we have got to co-operate, to secure co-operation between the Centre and the States, there has to be a kind of harmony. And what is the kind of future which we envisage, at least as far as the near future is concerned? Today, we have in this country the Congress Party dominating at the Centre and dominating almost everywhere. There is only one State, Travancore-Cochin, where another Party is in power. Of course, the difference between that Party and the Congress Party is very nearly the kind of difference in colouration between the pot and the kettle...

Some Hon. Members: No, no.

Shri H. N. Mukerjee: But there might very well be in the near future a situation where we find, let us say, in the Centre the Congress Party still in power—I am sure my friends of the Congress Party are envisaging a long period of continued prosperity and power. Let me grant, for the time being, that in the Centre the Congress Party will be in power, but in the States, may be, other groups, other combinations, other coalitions might come into power. And what do we want in that case as far as the parliamentary set-up is concerned? If there is no revolutionary flare-up and upsurge and that kind of thing, we want co-ordination, we want persuasion, we want discussion, we want a continuous effort to see to it that there is no break in that co-ordination, in that harmony. And that is why all the time you have got to convince the States regarding the rightfulness of what you are trying to do.

On this occasion, further, there have been very moderate and mild amendments suggested by my friend, Mr. Chatterjee, or my friend, Dr. Krishnaswami. There has been even an amendment, a very modest suggestion, that all laws made by the Parliament in respect of items (b), (c), (d) and

(e) herein shall not remain in force for a period exceeding two years unless further extension and continuance are recommended by the resolution passed by the Legislatures of the majority of Part A and Part B States and upon such recommendation, the law shall remain in force for such further period as recommended therein. Now, this is so mild, or so moderate, and Government cannot accept it. Now, I begin to fear that Government do not want the willing, voluntary, spontaneous co-operation of the States, and I do not know for what reason. I have my suspicions. In regard to the Bank Award, I find the Central Government hand in glove with Big Money. Possibly, some of the States are run by people who, maybe, are not in a position to be in such close association with Big Money. And that is why even though my friend, the Minister, has got enormous powers under the Industries (Development and Regulation) Act, I am very unhappy about the way he is administering that Act and I am very unhappy about the way he is likely in future to administer that Act. That being so, I do not see any good emerging out of this. That being so, I do not get any assurance that these powers on the part of the Central Government are going to be utilised for the sake of the common man, for the grower of jute, for example. I have no illusions on that point. As far as I have been able to see what the Central Government have done so far, I have no hopes in regard to the Central

Government's interest for the common worker, for the common toiler in the field, for the common toiler in industry. That being so, I feel that when there has been a united effort on the part of the Opposition to impress on the Government that they could very well move more steadily, more guardedly and more cautiously, they could very well show a greater respect for the identity, the self-respect and the effective authority of the different States from where we have the real administration of the country conducted from time to time. If we cannot even get a kind of arrangement between the Centre and the States which would be satisfactory for all concerned, then that surely bodes ill for the future of this country. That is why I am very sorry that in a very few moments' time we shall be passing this third amendment of the Constitution which is going to do no good to this country.

The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya): Don't be sorry.

Mr. Speaker: I will now put the motion to the vote, unless the hon. Minister has to say something.

Shri T. T. Krishnamachari: No, I have nothing to say.

Mr. Speaker: The question is:

"That the Bill be passed."

The Lok Sabha divided: Ayes 286; Noes 33.

Division No. 6]

[4.5 p.m.]

AYES

Abdullahai, Mulla
Achal Singh, Seth
Achint Ram, Lala
Achuthan, Shri
Agarwal, Shri S. N.
Agarwal, Shri H. L.
Agarwal, Shri M. L.
Alagesan, Shri
Altekar, Shri
Alva, Shri Joachim
Amin, Dr.
Amrit Kaur, Rajkumari
Ansari, Dr.

Asthana, Shri
Ayyangar, Shri M. A.
Azad, Maulana
Azad, Shri Bhagwat Jha
Balasubramaniam, Shri
Baldev Singh, Sardar
Balmiki, Shri
Bansal, Shri
Barman, Shri
Barupal, Shri P. L.
Basappa, Shri
Bhakt Darshan, Shri
Bhandari, Shri

Bharati, Shri G. S.
Bhargava, Pandit M. B.
Bhargava, Pandit Thakur Dass
Bhartiya, Shri S. R.
Bhatkar, Shri
Bhatt, Shri C.
Bhawanji, Shri
Beekha Bhai, Shri
Bhonsle, Shri J. K.
Bidari, Shri
Birbal Singh, Shri
Borkar, Shri
Bose, Shri P. C.

Brajeshwar Prasad, Shri	Iyyunni, Shri C. R.	Mishra, Shri L. N.
Chalha, Shri	Jagjivan Ram, Shri	Mishra, Shri M. P.
Chanda, Shri Anil K.	Jain, Shri A. P.	Misra, Pandit Lingaraj
Chandak, Shri	Jain, Shri N. S.	Misra, Shri B. N.
Charak, Th. Lakshman Singh	Jaipal Singh, Shri	Misra, Shri R. D.
Chaturvedi, Shri	Jajware, Shri	Misra, Shri S. P.
Chaudhary, Shri G. L.	Jangde, Shri	Mohd. Akbar, Sofi
Chaudhuri, Shri R. K.	Jayasbhai, Shrimati	Morarka, Shri
Chavda, Shri	Jena, Shri K. C.	More, Shri K. L.
Chettiar, Shri Nagappa	Jena, Shri Niranjan	Mudaliar, Shri C. R.
Chettiar, Shri T. S. A.	Jethan, Shri	Mukne, Shri Y. M.
Chinnaria, Shri	Joishi, Shri Jethalal	Musafir, Giani G. S.
Choudhuri, Shri M. Shafiee	Joishi, Shri Krishnachary.	Muthukrishnan, Shri
Dabhi, Shri	Joishi, Shri Liladhar	Nair, Shri C. K.
Das, Dr. M. M.	Joishi, Shri N. L.	Nanda, Shri
Das, Shri B.	Joishi, Shrimati Subhadra	Narasimhan, Shri C. R.
Das, Shri B. K.	Jwala Prasad, Shri	Natawadar, Shri
Das, Shri K. K.	Kajrolkar, Shri	Nathwani, Shri N. P.
Das, Shri N. T.	Kakkani, Shri	Nehru, Shri Jawaharlal
Das, Shri Ram Dhanl	Kale, Shrimati A.	Palchoudhury, Shrimati Ila
Das, Shri Ramenanda	Kamble, Dr.	Pande, Shri C. D.
Das, Shri S. N.	Kanungo, Shri	Pannalal, Shri
Datar, Shri	Karmachar, Shri	Pant, Shri D. D.
Deb, Shri S. C.	Kasliwal, Shri	Paragi Lal, Ch.
Deasi, Shri K. K.	Katham, Shri	Parikh, Dr. J. M.
Dessai, Shri K. N.	Katju, Dr.	Parikh, Shri S. G.
Deshmukh, Dr. P. S.	Kazmi, Shri	Patakar, Shri
Dehpande, Shri G. H.	Keshavalengar, Shri	Patel, Shri B. K.
Dholakia, Shri	Keekar, Dr.	Patel, Shri Rajeshwar
Dhulekar, Shri	Khedkar, Shri G. B.	Patel, Shrimati Maniben
Dhusiya, Shri	Khongmen, Shrimati	Patil, Shri Kanavade
Digambar Singh, Shri	Kidwai, Shri	Patil, Shri Shankargauda
Diwan, Shri R. S.	Kirolikar, Shri	Pawar, Shri V. P.
Dube, Shri Mulchand	Kottukappally, Shri	Pillai, Shri Thanu
Dubey, Shri R. G.	Krishna Chandra, Shri	Prabhakar, Shri Naval
Dwivedi, Shri D. P.	Krishnamachari, Shri T. T.	Prasad, Shri H. S.
Dwivedi, Shri M. L.	Kureel, Shri B. N.	Radha Raman, Shri
Echaran, Shri I.	Kureel, Shri P. L.	Raghubir Singh, Ch.
Ebeneser, Dr.	Lakshmayya, Shri	Raghunath Singh, Shri
Fotedar, Pandit	Lal, Shri R. S.	Raghuramiah, Shri
Gadgil, Shri	Lallanji, Shri	Rahman, Shri M. H.
Gandhi, Shri Feroze	Leskar, Shri	Raj Bahadur, Shri
Gandhi, Shri M. M.	Lingam, Shri N. M.	Ram Dasa, Shri
Gandhi, Shri V. B.	Lotan Ram, Shri	Ram Saran, Shri
Ganga Devi, Shrimati	Madiah Gowda, Shri	Ramanand Shastri, Swami
Ganpati Ram, Shri	Mahodaya, Shri	Ramaswamy, Shri S. V.
Garg, Shri R. P.	Majhi, Shri R. C.	Ranbir Singh, Ch.
Gautam, Shri C. D.	Majithia, Sardar	Rane, Shri
Ghose, Shri S. M.	Malaviya, Shri K. D.	Reddy, Shri Viswanatha
Ghulam Qader, Shri	Mallik, Shri U. S.	Richardson, Bishop
Gopi Ram, Shri	Malvia, Shri B. N.	Roy, Shri Bishwa Nath
Gounder, Shri K. P.	Malviya, Pandit C. N.	Rup Narain, Shri
Gounder, Shri K. S.	Malviya, Shri Motilal	Sahaya, Shri Syamnandan
Govind Das, Seth	Mascarene, Kumari Annie	Sahu, Shri Bhagbat
Guha, Shri A. C.	Masuodi, Maulana	Sahu, Shri Ramswar
Gupta, Shri Badshah	Masuriya Din, Shri	Saigal, Sardar A. S.
Hari Mohan, Dr.	Matthen, Shri	Saksena, Shri Mohanlal
Hazarika, Shri J. N.	Maydeo, Shrimati	Sanganna, Shri
Hem Raj, Shri	Mehta, Shri Balwant Sinha	Sankarapandian, Shri
Hembrom, Shri	Mehta, Shri B. G.	Satish Chandra, Shri
Ibrahim, Shri	Mishra, Shri S. N.	Satyawadi, Dr.
	Mishra, Shri Bibhuti	Sen, Shrimati Sushama

Sewal, Shri A. R.
 Shah, Shri C. C.
 Shah, Shri R. N.
 Sharma, Pandit Balkrishna
 Sharma, Pandit K. C.
 Sharma, Shri D. C.
 Sharma, Shri K. R.
 Sharma, Shri R. C.
 Shobha Ram, Shri
 Shukla, Pandit B.
 Siddananjappa, Shri
 Singh, Shri D. N.
 Singh, Shri Babunath
 Singh, Shri G. S.
 Singh, Shri L. Jogeswar
 Singh, Shri M. N.
 Singh, Shri T. N.
 Singhal, Shri S. C.
 Sinha, Dr. S. N.
 Sinha, Shri A. P.
 Sinha, Shri Anirudha

Sinha, Shri G. P.
 Sinha, Shri Jhulan
 Sinha, Shri K. P.
 Sinha, Shri Nageswar Prasad
 Sinha, Shri Satya Narayan
 Sinha, Shri Satyendra Narayan
 Sinha, Shrimati Tarkeswari
 Snatak, Shri
 Somana, Shri N.
 Subramanyam, Shri T.
 Suriya Prasad, Shri
 Syed Ahmed, Shri
 Syed Mahmud, Dr.
 Tandon, Shri
 Tek Chand, Shri
 Telikar, Shri
 Tewari, Sardar R. B. S.
 Thimmalesh, Shri
 Thomas, Shri A. M.
 Tiwari, Pandit B. L.
 Tiwari, Shri R. S.

Tiwari, Pandit D. N.
 Tripathi, Shri H. V.
 Tripathi, Shri K. P.
 Tripathi, Shri V. D.
 Tyagi, Shri
 Ulkey, Shri
 Upadhyay, Pandit Muniswar Das
 Upadhyay, Shri Shiva Dayal
 Upadhyay, Shri S. D.
 Vaisnav, Shri H. G.
 Valshya, Shri M. B.
 Varma, Shri B. B.
 Varma, Shri B. R.
 Verma, Shri M. L.
 Venkataraman, Shri
 Vidyalkar, Shri A. N.
 Vishwanath Prasad, Shri
 Vyas, Shri Radhelal
 Wilson, Shri J. N.
 Zaidi, Col.

NOES

Amjed Ali Shri
 Chatterjee, Shri Tushar
 Chatterjee, Shri N. C.
 Chaudhuri, Shri T. K.
 Chowdhury, Shri N. B.
 Das, Shri B. C.
 Das, Shri Sarangadhar
 Dasaratha Deb, Shri
 Deo, Shri R. N. S.
 Deshpande, Shri V. G.
 Gadilingana Gowd, Shri

Gidwani, Shri
 Gupta, Shri Sadhan
 Jayaraman, Shri
 Krishnaswami, Dr.
 Mehta, Shri Asoka
 Misir, Shri V.
 Mukerjee, Shri H. N.
 Mushar, Shri
 Nambiar, Shri
 Nayar, Shri V. P.
 Raghavachari, Shri

Ramasami, Shri M. D.
 Ramnarayan Singh, Babu
 Rao, Dr. Rama
 Rao, Shri Gopala
 Rao, Shri P. Subba
 Rao, Shri T. B. Vittal
 Reddi, Shri Madhao
 Reddi, Shri Bwara
 Rishang Keishing, Shri
 Swami, Shri Sivamurthi
 V

The motion was adopted.

Mr. Speaker: The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

INDIAN TARIFF (SECOND AMENDMENT) BILL

Mr. Speaker: The House will now proceed with the Bill it was discussing—the Tariff Amendment Bill.

Shri Bansal: Sir, I give my whole-hearted support to the principles underlying this Bill. My friend Mr. Nayar made a speech which left an impression on me that public memory is very short. He seems to have forgotten those days when import control was being assailed on all sides. We know very well how import

control was working during the time of war and after the war until the time the present Commerce and Industry Minister changed the whole attitude of the Department towards import control.

The chief objections against the working of import control were that, because it was uncertain and vacillating, therefore it was speculative; because it was based on executive action, therefore it was discriminating and leading to corruption. We know who benefited from this import control. We have not forgotten those days when import control was becoming a monopoly of people who were working in the by-ways and alley-ways of the Secretariat. Another defect of the import control was that its incidence was difficult to work out on the protective element which it provided to indigenous industries. It is well-known that in a

large number of cases, where on account of exchange requirements strict import control was imposed, the indigenous industry flourished for the time being, but, when, after one or two years the exchange position eased, imports were relaxed with the result that the industries concerned were thrown to the wall. This kind of see-saw that was being experienced by a large number of industries is not easy to forget. Even today, in the *Times of India* there is a write-up which gives the story that on a number of cases of import items, before this policy came to be announced, high premia were being paid. In the case of woollen fabrics the premium was as much as 60 per cent, and in the case of another article the premium was 50 per cent. Now, in as much as this new policy of the Commerce and Industry Minister, which was inaugurated last year at the time of the Budget, removes the danger of these things happening, I wholeheartedly give my support to this policy.

I am one of those, who, ever since 1949, have been saying that import controls are not in the best interests of the country. My friend to my right, Shrimati Tarkeshwari Sinha, quoted some commercial body as having said that import controls must be imposed with some greater force. Now, I must tell you that she has not read that particular brochure quite completely. In fact, all that is said in the brochure is that the policy of import control is not an unmixed blessing. As a matter of fact, that brochure makes the plea for substituting import control by a higher level of tariff. Therefore, as I have said, I wholeheartedly welcome this Bill, but only to the extent that it is going to do away with the defects which our import and export policy was experiencing all these days. I want to know if all the actions that Government have taken through the announcements go to fulfil that particular aim. Generally they do, but I am really nervous of the very blanket powers that have now been given to

the import control authorities in connection with all those items which will be liberally licensed under this policy. I must at once say that in respect of those items where certain quotas have been raised, the liberalisation is not so pronounced and I do not fear much complications from that liberalisation. But, in respect of those items which have been kept on the liberal licensing scheme, I am a bit nervous and I would request the hon. Minister for Commerce and Industry to think over that a bit more calmly.

Now, Sir, what I find is: in respect of those items which are being licensed liberally, established importers will be granted supplementary licences for reasonable amounts. Who will decide as to what is the reasonable amount? Obviously, the Import Trade Controllers will decide as to what is a reasonable amount. Then, applications from actual users for such items will also be considered liberally. This again is left to the executive authority to decide. In case of new-comers it is provided that if the applicants furnish evidence of their ability to handle these imports, they will also be given licences liberally. In all these three cases, I must submit, quite a great deal of discretion has been left in the hands of the licensing authority, which may or may not work very uniformly.

[PANDIT THAKUR DAS BHARGAVA
in the Chair]

Sir, I have no fear; and I am not flattering the Commerce and Industry Minister when I say that as long as the present incumbent is there I have absolutely no fear. I have no fear, also, as long as some of the officers, whom he has in his department, continue with him. But, when we are having a legislation, we cannot legislate on the basis of individuals; we have to legislate on the basis of certain principles. Therefore, I am a bit nervous as far as these powers under the liberal licensing scheme are sought to be given to the officers. I must at once say that this policy

[Shri Bansal]

has been in existence for some time now and no cases have been brought to light where it has been used to the detriment of the country. But, as I say, my apprehensions are there and I would request the hon. Minister for Commerce and Industry to see that even in these cases definite quotas for all these three categories are fixed.

I also welcome this Bill on another ground. We are having the next session—which, in my opinion is going to be one of the most important sessions—of the GATT (General Agreements on Tariff and Trade). In as much as this policy which has been announced indicates to the world that the Government of India is not at all in love with import quota—that is, quantitative restriction—it is bound to have a very good effect on the gathering which will decide the fate of the future of GATT. I am not divulging any secret and whatever I am in a position to say on the subject, I am handicapped by the fact that I am likely to be one of the delegates to the conference. Therefore, I am not going to speak much on the subject, but I must say this: that this policy is bound to strengthen the hands of the Government of India delegation in as much as the world will come to know that India is not for 'quantitative restrictions' and we do not favour 'quantitative restrictions' for the sake of 'quantitative restrictions'. At the same time, we will have to make it clear to all the participating nations that, although we are not in love with 'quantitative restrictions', their utility is there for backward countries like India which are wanting to develop very fast. Apart from this, 'quantitative restrictions' become necessary in certain other cases also. Government of India are well aware of that and I am glad that the hon. Minister for Commerce and Industry made a reference to that. These cases are: raw materials, capital goods and goods where 'consumer prejudice' exists. In these cases, particularly in countries the

economy of which is under-developed, import controls—that is, 'quantitative restrictions' may be necessary and I am glad that there is nothing in the policy—except in respect of two or three items to which I will shortly refer—that prejudices this policy.

Now, I am a bit afraid about the policy that has been announced in regard to razor blades, pencils, shoes and motor cars. As regards razor blades and pencils I must say that a high degree of 'consumer prejudice' exists and the users, because the value of these two articles is comparatively small, generally would like to go in for imported goods the brands of which have made an impression on the consumers. I will give you a small example. The other day my child who goes to school came back and told me that his teacher wants him to purchase a particular brand of pencil for his drawing class. I told him that I was not going to buy any foreign pencil but he replied that his teacher had asked him to buy 4-H pencil and therefore I must go and get it for him. I went to the market and purchased a local made 4-H pencil. He took it to the school, his master tried it and I am glad to say that my child came back and reported that the school master said the Indian pencil was as good as any foreign imported variety. He was, therefore, allowed to use that pencil. I am just indicating how much consumer prejudice exists in our country for certain items. The same applies to a great extent to razor blades. Therefore, to the extent the import quota in respect of these two items has been liberalised, I am afraid it may prejudice the indigenous industries to some extent. I must say that up-to-date reports in the Press, which have come, do not show a very marked tendency in the import of these items although the prices seem to have fallen. These are two commodities in respect of which Government will do well to watch the situation.

The third item is shoes. In respect of shoes, the duty has been changed from 100 per cent. *ad valorem* to Rs. 20 specific and Rs. 5 specific in the case of children's footwear. In the case of shoes also, I think the types of shoes which are imported from outside are costly varieties, costing about Rs. 40, Rs. 50 or Rs. 60, and a duty of Rs. 20 specific will not be sufficient on them. I think there is a good deal of scope to raise this duty. My suggestion would be that in the case of shoes, the *ad valorem* duty of Rs. 100 should have been retained.

In the case of motor cars, the duty has been raised to Rs. 6,000 specific and 75 per cent. *ad valorem*. I know the import licensing policy remains as it was, that is, no one can import cars in completely built-up condition, but this concession will be applicable to persons who will be going abroad and bringing cars as personal baggage. I want to know whether this facility will be provided to any person who goes out of India for a week or a month or whether some time-limit will continue to be imposed as it is there at present. I am told that there is a feeling in certain circles that the import of motor cars will also be allowed to persons on order basis. Suppose I want to order a Ford car from America for my personal use, there is a feeling that there will be no ban on that. I would like the hon. Minister for Commerce and Industry to clarify that point because I must tell the House that there is quite a good deal of nervousness on that score.

Shri T. T. Krishnamachari: I might say that it is not at present the intention to allow commercial imports of cars.

Shri Bansal: I am thankful to the hon. Minister for making that clarification. It is not as if this is the first time this new policy has been announced. This is the third instalment and I welcome it all the more for that reason. I would like to impress on the Government to remove

all such hurdles as stand in the way of Government taking this policy a step further. I refer to the fact that this policy of Government is being put under severe pressure and strain from two sources. One is the GATT—I am afraid I am again coming to GATT, but I would request the hon. Minister not to get nervous because I am not going to divulge any secrets—and the other is the Tariff Commission.

I will take a few minutes more to explain what I mean by strain. This policy is influenced by our commitments in the GATT and the attitude that the Tariff Commission has taken in regard to recommendation of protection to various industries.

Firstly, I would like to take up the GATT. It is well known that our Government approached the GATT authorities and the participant countries for seeking releases on a number of items. These items were fish canned, wines, lithophones, tooth paste, dyes, fountain pens complete glass beads, safety razors and parts thereof, etc. There was also another item ball bearings and adaptor bearings. Out of these Government got releases only for four items—wines, dyes, glass beads and safety razors. In the case of dyes and safety razors, I am informed that the release that we got was only a partial release, not complete release, and what is more, India had to give some more concessions in order to get these concessions. The hon. Minister for Commerce and Industry is shaking his head, but I may bring to his notice that in respect of these items we had to reduce duty on certain items as compensation such as plastic raw materials and raw materials used in the manufacture of small tools. He can verify this statement. What I am trying to inform the House is that there are a number of items on which we have given concessions to various countries, that is, on which either we have bound the existing rates of duty or we have reduced our rates of duty. We have been approaching the participating Governments to give us

[Shri Bansal]

releases from those items, but we have not yet got them. There are a large number of other items on which, in my opinion, we should have approached the other participating Governments for releases. I have made out a list of some 29 items on which, in my opinion, it is essential that we should seek releases. The level of duty on these items is between 20 and 30 per cent., excepting in one or two cases where it is as much as 50 per cent. Here we have a level of duty, to which we stand committed, that is, 20 to 30 per cent. on the average.

The other point is in regard to the Tariff Commission. The Tariff Commission's position is that there are a number of items where the Commission has recommended duties of the level of 30 to 35 per cent. and in fact, they have gone so far as to say that if the difference between the ex-works price and the imported price is a quarter per cent., then we should give protection to the extent of half per cent. For example, in the case of flax and raw silk, they said that the differential between C.I.F. price of imported stuff is 29.2 per cent. and they recommended an import duty of 30 per cent. Similarly, there is the case of hydroquinine where they calculated that the differential was 49.72 per cent. and they recommended a duty of 50 per cent. In the case of the glucose industry, the differential was 49 per cent. and they recommended a duty of 50 per cent. In the case of wood screw industry, the differential was 29.5 per cent. and they recommended a duty of 32.5 per cent. Similarly, in the case of plywood, the differential was 24 per cent. and they recommended 30 per cent. duty. I ask the hon. Minister that when he is going to raise the tariff level from about 25, 30 or 35 per cent. to 66-2/3 per cent.—in some cases even 75 per cent. and some of these items are protected items—how can one justify the Tariff Commission taking an attitude and recommending a duty between 30 and 35

per cent. Our commitments with both these bodies are making our tariff structure lopsided. While the level of our revenue duties is of the order roughly of 66-2/3 per cent., the level of duty on items on which we have entered into commitment with GATT and the Tariff Commission is of the order of 20, 30 or 35 per cent. at the most. I am suggesting to the Industry Minister that this is leading to a lopsided development in our tariff structure and sooner or later, he will have to give thought to this matter. After all, why are we raising the revenue duty and why, in the case of certain items, even where a particular level of duty is recommended by the Tariff Commission we are resorting to the expedient of not accepting their recommendation and we are taking recourse to revenue duty? It is because the Government of India believes that in the interest of developing our economy, it is essential to raise the tariff structure of our country. If this is the policy of the Government, then how can they countenance this continued commitment with the GATT in respect of these items and this sort of attitude on the part of the Tariff Commission? I agree that the Tariff Commission has an important part to play. After all, they are the judges to find out as to what quantum of protection is needed for the indigenous industries. But, Sir, when you have a locomotive, you have a safety valve, and the safety valve must have the same resisting power as the power of the locomotive. If you place a small safety valve in a big locomotive, the safety valve will burst and the engine will not work. Therefore, the Tariff Commission which, in my opinion, works as a safety valve to our industrial policy as far as tariff protection is concerned, must gear itself to the same kind of tempo to which the Government of India are committed by virtue of their developmental policies. Otherwise, all our development will get stuck up against this unimaginative attitude of the Tariff Commission. Therefore, my sugges-

tion would be that a definite instruction or directive should be sent to the Tariff Commission to change their attitude in regard to cases which are referred to them for examination. Otherwise, I do not see any point because Government of India themselves are raising revenue duties without referring the cases to the Tariff Commission. There is no point unless you think that the Tariff Commission must remain there as an ornament in our Governmental machinery.

I want to be clear on one point. It is about the statement of the hon. Finance Minister which says that the additional income to the Central Exchequer by virtue of this raising of the duties would be of the order of Rs. 4½ crores during the remaining period. That means—if my calculation is correct—that roughly we will be importing goods to the tune of Rs. 30 crores more. Otherwise, I do not know how we could raise this duty of Rs. 4½ crores. This Rs. 4½ crores represents only the extra income from duties which have been increased i.e., it represents the additional income which will come in addition to the duties which were in existence before this Bill was brought....

Shri T. T. Krishnamachari: On very rough calculations, we expect that the additional imports would be in the region of about Rs. 3 crores.

Shri Bansal: If the additional imports would be about Rs. 3 crores, it would be something of a miracle to bring in a revenue of Rs. 4½ crores.

Shri T. T. Krishnamachari: Hon. Member must realise that these duties are imposed on goods which will normally come; there are some goods which will be coming in addition. Additional duties are imposed on both these cases and when you are taking into account we think it would be in the region of about Rs. 2½ crores; we expect that the new goods would bring about Rs. 1 to 1½ crores, making in all Rs. 3½ to Rs. 4 crores.

Shri Bansal: All I can say is that it will be hard for me to agree with the hon. Commerce and Industry Minister. My calculation will not be less than Rs. 15 crores; that is another thing. What I am driving at is this. Before formulating this policy of relaxation have the Government of India considered what will be the effect of this policy—on the long term policy of the Government as regards the development of our industries? As I had stated, I am wholeheartedly in agreement with the policy and I am throwing out my doubts which arise in my mind just at the moment. After all, we are committed—the Commerce and Industry Minister himself has stated—that in the next Five Year Plan, the pride of place will be given to the industrial development. In fact he is thinking in terms of a target of Rs. 3,000 crores for industrial sector only—both private and public. If that is so, the capital investment would be of the order of Rs. 3,000 crores, all that cannot be available in the country itself. To a very large extent, we will have to depend on foreign exchange and foreign resources. I want to know: how are we going to solve the contingency of depending for capital on external resources unless we conserve our foreign exchange from now. It is true that in 1953 our balance of payment position was favourable; that does not mean that our balance of trade position was favourable. Our balance of trade position was running in deficit in 1953-54; it was of the order of Rs. 46 crores. As against that we had a favourable balance of payment position to the extent of Rs. 59 crores. That was because we have been depending on foreign aid and so many other types of devices. Between April and June 1954 our balance of trade has had a deficit of Rs. 32 crores. If this is the position of our balance of trade for three months and a deficit of Rs. 46 crores for the year 1953-54, I do not think that it will be safe to take a complacent view of our balance of payment position. After all, firstly we are not yet absolutely out of the woods as re-

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gards our food situation. I know we are happily placed. God forbid if anything untoward happens what will be the position? Large tracts in the country have had no rains; in large areas we have had devastating floods. I do not know about the repercussions of all this on the sum total of our food position. We are still importing huge quantities of sugar. I am sure in the next year also we may have to import huge quantities of sugar. Over and above all these requirements, the import of heavy machinery will still remain. In fact if the Commerce and Industry Minister's calculations come true—I am one with him; in fact I want that industrial development should be on a quicker pace—then, I am afraid it will be dangerous to take a complacent view of our foreign exchange requirements. In fact, I am of the view that we must go on building our foreign exchange so that it comes handy to us when we are launching this huge programme of industrial development. I think the Commerce and Industry Minister and the Finance Minister would be good enough to give some indication as to how their minds are running as regards our foreign exchange position *vis-a-vis* the next Five Year Plan.

I have only one or two more points to refer to. They are just, so to say, by the side. I was really disturbed at a Press report which came from Manchester. The President or Chairman of the Lancashire Textile Exporters was not impressed by the relaxation which the Government of India gave to the import of cloth from that country. There is no quota fixed. In fact this item has been placed on liberal licensing. Only duty is there—I believe of 60 per cent. As long as the duty was there and the quota was fixed, I am in a position to tell the House very authoritatively, the Board of Trade and the officials told me themselves that they will be happy if the quota is relaxed from 10 to 20 per cent. When the quota is relaxed and the item is placed on liberal licence,

they are not impressed. In fact they say that as long as this high duty remains they do not see much prospect of exporting textiles to our country. But they forget one thing. They are importing only greys from our country and greys are manufactured out of the cheapest cotton that is grown in this country. Therefore, in fact by allowing the export of our greys to the United Kingdom and then allowing greys which are bleached and printed to be imported into this very country, we are actually subsidising the Lancashire industry. And I think this point must be brought home to them before they clamour for further relaxation. I know that foreign interests can clamour through their High Commissioners' establishments and their Embassies here, but the Commerce and Industry Minister will do well not to be guided by these threats and clamour.

Another point I would like to make is about flasks. In regard to this flask industry, I do not know how many units there are in the country, but I must say that India is producing very good vacuum flasks. And if this new policy does anything to increase the quantum of imports of vacuum flasks, the indigenous industry will suffer a setback. It is in the hands of comparatively small manufacturers, just as is the case of brass lamp holders to which the hon. Minister had referred. These people, that is the razor blade manufacturers, the pencil manufacturers, the brass lamp holder manufacturers, the flask manufacturers, they do not have very elaborate selling arrangements. Although I am one of those who believes that the duty of a manufacturer does not end only by manufacturing the item but it is his duty to propagate the sale of his manufacture, the fact remains that these people are comparatively young in the field and small compared to the huge combines which control the export market in these commodities. For instance, as regards razor blades and pencils, the brands which are sold here are household names. In fact once I said that one would not think

of entering one's bath-room if he did not have a particular foreign brand of razor blade in his hand. Such huge consumer prejudices exist. And that is all built up by virtue of the huge marketing organisations that these people have at their command. In such cases particularly, the Government of India must see that the policy has the bias more in favour of the manufacturers rather than in favour of the consumer who under some belief or the other wants to go in for the foreign brand. I am one of those who believes that in some of these lines Indian manufactured goods are not a whit inferior to any foreign made brand. I refer to the case of pencils, and I can say that very soon our razor blades will also be of the same quality. Our flasks are absolutely first class and they can compare very well with any that are imported from outside.

Only a last point and I will have done. My friend Mr. V. P. Nayar who has the knack of running away after issuing broadsides talked of foreign manufactured car at a ludicrously low price. We have heard that story before now and I think the House has come to discount such stories. I remember I had seen the Bombay Exhibition where the cars of a particular country were exhibited, and I asked the price. The person who was showing round belonged to the combine which was manufacturing that car. He said, "We have no export price, I am sorry". I said, "You are exhibiting it here. You are exhibiting it because you want to sell it". He said "Our export price has nothing to do with the manufacturing cost". Then I said, "If I want to purchase the car; after all you will sell the car here, because you are not going to take it back". He scratched his head and said "anything near twenty-five thousand rupees". So this kind of a story that it could be manufactured in 700 dollars can be very easily discounted. And what is the position of cars manufactured here? In America a car which is sold here for about sixteen or seventeen thousand rupees

is not sold for less than eleven thousand rupees. I know it for a fact. And whatever the difference is more than made up by the heavy import duty on the imported parts that the Government of India imposes. I am sure the House will not be taken in by that kind of cheap talk.

Having said this I once again assure the hon. Minister that he is on the right track in pursuing this policy and hope that he will do everything in his power to see that the two handicaps which are distorting his policy, namely the attitude of the Tariff Commission and our commitments in the GATT will be removed as early as possible.

Shri K. P. Tripathi (Darrang): I thank you for giving me this chance. The discussion has raised two aspects of the question. One is whether by this process of gradual liberalisation there is an attempt to abolish quantitative control altogether. The other is whether it is merely a gradual liberalisation and there is no attempt to abolish quantitative control altogether. As has been said, if it is merely an attempt at liberalisation in the present context of our economy, I think we may support this. But I must say here that if it is interpreted as an attempt to gradually abolish the quantitative control altogether, or if the passing of this Bill may be interpreted as the House having given an imprimatur that quantitative control may gradually be abolished, then I think it would be very wrong.

I agree in this question at least with my friend Mr. Bansal—for once at least—that the economy of this country is a condition in which industries, nascent industries are coming up. The corresponding industries in other countries are very very old. Their staying power, their economic position, their competitive power is so tremendous that they can sell their goods not merely in their own countries and all over the world but here also. Mr. Bansal has pointed out the tremendous consumer prejudice produced by the advertising medium of

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the foreign concerns. Under the circumstances it must be taken for granted that the power which they possess of competing with our industries is very tremendous. For example it may be that certain industries in our country may get a fillip and may go ahead for some time. But it may not be a permanent fillip, and there may come very quickly a resistance and the industry may be wiped out. And so I begin to feel all the more that it is very necessary for this country to have quantitative control. If the quantitative control is not there, it is very difficult for this Government to find out at what stage a certain particular industry becomes uncompetitive. I was looking through the chart issued by the Ministry, and I find that it had taken three to four years for the Tariff Commission to find out that a certain industry was going down.

Take for instance the antimony industry. It is shown that in 1950 it was producing 376 tons. Then it came to 328, then to 181, 130 and 140 tons. In this way it went down.

There are several other industries mentioned. This merely shows that

our Government has no machinery, and is not likely to have any machinery for a long time, by which the results or the effects of foreign competition on industrial manufacture in our country will be quickly known and remedied. You might be aware, Sir, that in a country like America there is the law "Buy American". There is the law by which American industries can be protected. If there is foreign competition, then the Government, the President has the duty—not merely authority but he has the duty—to give protection. When I was there I found this particularly in the case of butter. Butter had accumulated there and there was competition of butter from the Netherlands. The competing butter had to be stopped. Similarly....

Mr. Chairman: I suppose the hon. Member will take some more time?

Shri K. P. Tripathi: Yes, Sir.

Mr. Chairman: The House stands adjourned till tomorrow, 11 A.M.

The Lok Sabha then adjourned till Eleven of the Clock on Friday the 24th September, 1954.